THE FINANCIAL POST

OF CANADA

A weekly newspaper aiming to present to the public in a popular manner, accurate information relating to the financial interests and the legitimate investments of Canada.

PUBLICATION OFFICE—10 FRONT STREET, EAST, TORONTO

VOL. I. SINGLE COPIES, 10 CENTS. MONTREAL, TORONTO, WINNIPEG, JANUARY 4TH, 1908 ANNUAL SUBSCRIPTION, $3.00. No. 52

THE SECURITY REVIEW

OPINIONS OF BROKERS AND FINANCIERS.

The Year Opens With a Hopeful Feeling—An Uplifting Trend in Prices—Stocks Dependent on the Monetary Situation—No Immediate Rise Expected — A Gradual Improvement Looked for—The C.P.R.'s Issue and Earning Improvement—A Good Year for the Coal and Steel Companies.

A considerable review might be made of the developments leading up to the present situation in the security markets of the world, with special reference to Canada. After this annus mirabilis in which there has been the heaviest continuous shrinkage known in the world's stock markets, the financial observer is much more concerned with the future than with the past.

The year opens with many signs of confidence. The company most intimately concerned with all the various ramifications of a great new country, the Canadian Pacific Railway, has shown its confidence in the future by the issue of new stock involving the immediate marketing of nearly $25,000,000 of common shares. This action may be taken as indicative of a firm belief in the prospects of Canada. Our industrial exigencies bid fair, however, to be so considerable that any immediate easement of money as regards the home market is not probable. How soon the accumulation of funds at foreign centres will result in a natural flow to these fields where the opportunities are so numerous, is difficult to determine. After so great a disturbance elsewhere the pressing needs in the immediate vicinities are likely to be great; and a surplusage may not appear as soon as might normally be expected. Security prices are so largely dependent upon the flow of funds that any rapid rise in these prices is hardly possible. Yet it would appear that they were on a safe level for investment purchase, but this thought has been so often repeated that it becomes a mere platitude.

The reduction in the Bank of England rate to six per cent. is an auspicious opening to the New Year in London. Conditions in Europe's storm centre are reported as showing improvement. The German situation appears to be not unsound, and any predictions of a dangerous business crisis are regarded there by the highest authorities as very wide of the mark.

France has had a year of slow but sure prosperity. It has had domestic difficulties, such as the failure of the wine-growing industry in four thickly inhabited departments, industrial strikes and a constant encroachment of the government's fiscal policy by new legislation on the moneyed part of the community it has been little troubled by the foreign financial storms.

In the United States the resumption of specie payments has been longer delayed than in 1893 or 1873. The reason for this is that New York was the centre and origin of the disturbance, and its recovery is slower than elsewhere in the United States. The withdrawals of the public's money were the heaviest at this centre. The other cities are so dependent upon New York that until it gives the word the resumption of specie payments cannot be generally undertaken. The enormous drain of gold from Europe to meet the needs engendered by the October panic can be compensated for in a measure by the greater value of the crop to be exported. The farm value of the crops in the United States was $3,408,967,000 in 1907, as against $2,926,227,071 in 1906.

In Canada, as pointed out elsewhere, about fifty million dollars will be expended, or, at all events, appropriated for new railway works in 1908. As ninety-five per cent. of this money comes from abroad, this disbursement should be of inestimable service to the country. The upward trend of security prices depends largely on the monetary supply and this is a difficult problem to determine.

Quotations have begun the year well with a distinct appreciation. In Wall Street an important railway company, the Seaboard Air Line, on January 2nd went into a receiver's hands. In 1893-4 there were a hundred or more distinct railway companies in the same plight, Thus with only one system so far reported and that due to government oppression, which prevented any acquisition of needed funds, the stock market disregarded the action, which is in itself a sign that nearly all the ills and disasters that can well occur have already been discounted.

The Montreal Situation.

The Post's Montreal correspondent writes:

Notwithstanding the fact that stock brokers in this city, those particularly who are associated with the Montreal Stock Exchange, have experienced probably the worst market, all things considered, since the first days of incorporation, they almost to a man have turned their faces hopefully towards what they consider will be a year of renewed vigor in the business of buying and selling the country's standard securities.

They point to the new element that has within the last few months made itself practically the dominant factor in the trading that of the public investment demand; and there can be no doubt that the affairs of the stock market generally have been more discussed, and the high interest rates for some time prevailing more advertised, than at any period in the history of the stock exchange. All this, it is argued, is a promising indication that the future, and the early future, at that, will see the general public vastly more interested in market prices than has previously been the case.

Shareholders' lists have become intensely swollen with the names of new holders, who, for the most part, have holdings varying from one to ten, fifteen, twenty and thirty shares each. Whether or not these small interests will hold for revenue or take the first good opportunity to turn over their stocks at a profit, cannot, of course, be said at this season, although the odds are in favor of much of the stock coming out when the prices begin to make anything like a record advance. The public, or more correctly, the small holder of stocks, is not usually gifted with an astute speculative "head," and if precedent goes for anything, there will be continuous profit-taking by these small holders as soon as a fifteen to twenty per cent. rise has been accomplished. That will, of course, give a fair range of profit to those who have bottom prices, but it is an inconsiderable rise in face of the year's decline of from 40 to 60 per cent. in the best of standard securities. Most of the stocks will, therefore, return into the hands of the professional trader, and as the new "element" already mentioned, will have had its appetite whetted, there should be a fair prospect of an enlarged market just as soon as the monetary situation permits.

In all probability this market would have held together much better if the Detroit United dividend had not been passed, or if some intimation had been given the public that such an action was being considered a few weeks before the announcement came. Up to that time the market was exceedingly well supported, despite the wholesale and continuous selling on the New York market, but the blow, entirely unexpected, and coming on the top of the passing of the Toledo dividend, threw the local market into panic and there was a rush to take what was offering, and, as a consequence, the whole market broke, and before any attempt could be made to support the general list, the Knickerbocker Trust troubles started another precipitation of market values. That is the Montreal situation for 1907 in a nutshell, and the best that can be hoped for now is that good may result from the evil of the past degenerate conditions in the stock market circles. The peculiar conditions ruling in regard to Canadian banking accommodation, had, of course, much to do with the dullness of the stock market here, because they virtually restricted speculative or marginal trading to nil.

Brokers and traders have, as a rule, accepted the situation with a fair grace, probably recognizing in the earlier stages the futility of kicking against the pricks, but at the same time, much legitimate business has been prevented by the withdrawal of the material support of the banks. When the commercial borrowers take the stock market's position, with regard to banking accommodation, into consideration, they will, perhaps, appreciate how one section of the banks' customers has suffered so that the needs of "legitimate" trade could be attended to, and bestow a more kindly appreciation of the efforts of the bankers to keep the wheels of industry rolling smoothly over the rough periods of the past twelve months.

Following the practice of securing the individual opinions of those well qualified to express a view, we print the following opinions:

Mr. Rodolphe Forget writes: "The year 1907, as a financial one, has been the worst I remember, and bankers of forty years' experience say the same thing.

"In the last four months of the year investors have had a good chance of buying stocks and bonds, returning from 6 to 11 per cent. The banks have felt it, and more so in the last two months, losing about $30,000,000 deposits. I think the drain will continue for some months longer, as the small depositor is now getting attracted by stocks and bonds, of which he never thought in years gone by. I do not look for a revival of speculation for a long time. The decrease in deposits will prevent banks from lending any money on stock exchange securities, for a long time to come. Brokers may get a little money when the New York money market eases up, as they will then be able to borrow on international stocks in the latter market, and replace these by Canadian stocks in their loan accounts.

"Bonds and stocks are in good demand, but hard to get, the floating supply being smaller than it has been for years. From now on, I think, intending investors will have to advance their bids, to secure what they want, and still get a very large return. I do not look for selling of any importance, on an advancing market, inasmuch as the last buying has been by small investors who will not be tempted by profit, but just satisfied with their income, rather than deposit in the banks and get only 3 per cent. Securities bought and paid for now, will certainly show good profit in 1908.

"The reduction in wages is coming and will be a good thing for industry as well as for the men. Should this be, the crisis would have done good by settling a question that both the Government and church have tried to adjust, but without success."

Mr. E. R. Wood, one of Canada's leading financiers, has returned after a useful eight months visit in London, where he has been active in assisting the direction of British capital to Canada. In an interview he says:

"Canada's credit is most distinctly improving abroad. They say it is an ill wind that blows nobody good, and it is an undoubted fact that the recent developments in the financial conditions of the United States have had a marked effect in directing the attention of the British investor with increased favor towards Canadian securities, which have shown wonderful strength in view of the depression, particularly the various bank stocks.

"Their attention, in fact, has been drawn as it never was drawn before to the desirability of putting their money into sound Canadian enterprises."

"The depression in Canada is looked upon as likely to be merely of a temporary nature, and the institutions which weather it will doubtless be regarded as sounder than ever.

"There is no lack of money in Great Britain if confidence can only be gained. For instance, the issue of Dominion of Canada short-dated bonds issued three weeks ago to the amount of £1,500,000, was fully subscribed at par. And not only is it Dominion or Provincial securities that are being invested in. For instance, we made an issue of £250,000 about six weeks ago of city of Vancouver 40-year 4 per cent. bonds, which was over-subscribed. The principal thing about it, however, which surprised me was that it was so largely taken up, not by large subscribers, but by small investors. In fact, over 300 persons subscribed."

Mr. R. A. Smith, of the firm of Osler & Hammond, an astute judge of stock market conditions, says:

"In face of the local monetary conditions I do not look for any material advance in native securities. Our banks will not have any funds to lend on stocks."

Mr. C. J. McCuaig considers the situation broadly and says:

"The year we have passed through has been a trying one, but looking at it from a broad point of view, it has been a distinct advantage to Canada and the United States, particularly the latter. The big railway companies of the latter country, stimulated by competition, to improve their physical condition, in order to reduce cost of operation, borrowed extravagantly, with the expectation of selling their securities in time to meet their obligations. Manufacturing institutions, to supply the demand of the railroads, increased their capacities, and in turn became equally extravagant. Labor organizations, taking advantage of the great demand for labor, claimed their due proportion of increased profits. The result was chaos; but out of evil comes good, and primarily Canada will benefit, as the credit of our country and institutions is very high, and the eyes of the world are turned our way.

Though we must be sentimentally affected by conditions in the United States, after all, that country is not ruined, but simply brought to a standstill, while business is being reconstructed on lines suitable to the occasion.

The Southern and Western States are richer than they have ever been, as the result of bountiful crops of cotton, wheat and corn. The production of precious mineral has been very large, and the increased natural wealth enormous. All these must in time produce the natural result of continued prosperity.

While reconstruction is taking place money will become very easy in the United States, and the undigested securities absorbed, so that the railway corporations will be able to pay off their debts and place themselves in a position to go on with improvements.

In this country, while it would be wise for manufacturers to curtail cost of production, and reduce their output to actual requirements, there can be little doubt that business will continue to expand to a reasonable degree.

The deposits in Canadian financial institutions are very large, and in time, as confidence is restored, these will naturally seek investment in the stale enterprises of the country.

The only rift within the lute has been the speculation in real estate in the northwest. As the loss, however, in this case will fall to a great extent on foreign institutions, and the big railway corporations, who may have to take back some of the lands they have sold, the country at large will not suffer to a serious extent, and the lower prices of land will probably attract settlers who would have been deterred by the high prices of last year from moving into the country.

It may be said, therefore, that conditions in this country are extremely favorable, if our business men will be prudent and people at large will be economical until the tide has fully turned.

Mr Edward Cronyn says:

"In considering the outlook of 1908 from the standpoint of the stock market, perhaps the most important feature to investigate is whether confidence in the banking institutions of New York has been restored. We are well assured that such is the case. As a result the currency premium and payment by banks in clearing house certificates should both disappear as money from January dividends and coupons is deposited and the monies freed by contraction of trade ultimately find their way into the banks and trust companies. There should, therefore, be comparatively easy money in New York before long, followed by greater activity in the stock markets and an advance in prices from the present low level. We cannot look for a continued and steady advance, as it is unreasonable to hope for this after such an upheaval as has taken place in the market. That the level of standard stocks, however, is much too low from their intrinsic standpoint is granted even by the bears and we believe that the gradual approximation to their true intrinsic values is now under way.

The commercial failures which we must look for as a result of the sudden and severe contraction in trade will cause consternation and reactions at times, but the recuperative powers and the real richness of the great nation to the south of us will assert themselves and it would not surprise us to see the public exhibit great confidence in Wall Street once more inside of six months. Our local market has followed in a very inactive way the movements of the American market. There, operators have been able to get money for speculation at a price. In our market there has been none for this purpose. As soon as money eases sufficiently to enable purchases to be made on margin, our market should respond readily. The past year has been a bad one in our business, but we are decidedly optimistic."

Mr. F. Wilson Fairman says: "I find that collections in Ontario and Quebec are very good and in regard to the two or three firms in which I am interested not only are business returns larger than last year, but payments have been made as they fell due. In regard to the United States and Wall Street particularly, I have no faith, but Canadians should congratulate themselves on the very excellent showing of their financial and commercial institutions. I expect to see a further decline in stocks generally. There is no doubt, however, that after this crisis has passed business will be on a much sounder footing."

Mr. Gardiner, of H. C. Scott & Co., Montreal, says:

"I think conditions point to next year's business being the largest on record. There is a good deal of talk about hard times, but I think that is all there is to it. I understand that many of the leading manufactories of the United States are resuming operations, but Canadian factories have their full complement of orders and although money is tight in financial circumstances I see nothing to be afraid of in the future."

Mr. J. W. Baillie, Toronto, said: "I am thoroughly optimistic on the situation of the investor who can buy stocks to hold or can protect them against temporary eventualities. Money is on too high a level at present. It must shortly become cheaper and whatever deterrents to the reduction in the present price of capital arise, they must necessarily be local and temporary. Stock values must appreciate in time from the present level."

Bell Telephone Company.

The sale of the plant and business in Manitoba to the provincial government for approximately $3,500,000 is an excellent stroke of business, which will doubtless be ratified as a matter of form at the special meeting on January 10. The Manitoba lines, involving a large and sparsely settled extent of territory, cannot be immediately profitable and the purchase money should place the company in excellent shape financially for the pressing needs of extensions in more populated Eastern Canada. We are inclined to believe that the result of the Manitoba Government's excursion will be the reversion in time to the Bell Telephone Company of a system which will have become more valuable as the country gains in population. The government will enjoy all the outlay of building up the system in its formative years and then the people will become tired of continued deficits and a service which more than any other public utility is subject to public abuse.

Dominion Coal Company.

In spite of the adverse weather conditions in the winter and the late opening of navigation, the Dominion Coal Company makes a satisfactory increase in output, the records by months being:

	1907	1906
January	252,248	231,606
February	226,190	225,716
March	203,194	310,220
April	316,384	206,417
May	328,047	323,777
June	319,560	325,911
July	314,559	318,291
August	316,633	327,733
September	295,058	323,733
October	339,573	350,009
November	336,190	308,367
December	269,190	206,884
Totals	3,516,856	3,248,565

Canadian Pacific Railway.

The new issue of $28,320,000 will bring the common capital up to the authorized amount of $150,000,000. There will be issued to shareholders of record on Jan. 13, $24,336,008, each shareholder being entitled to subscribe for one share in five. At the market price of 155 the rights are worth 9 per cent. The balance of $2,984,000 will doubtless be held in reserve, to be sold in the open market as occasion and opportunity warrant. The November net earnings as predicted in these columns, showed a most gratifying increase. They gained $180,900, making the total net

(Continued on page 4.)

REVIEW AND OUTLOOK

EXPRESSIONS ON THE SITUATION WRITTEN TO THE POST BY LEADING AUTHORITIES.

A Spirit of Optimism—Actions Speak Louder Than Words—Sir Thomas Shaughnessey and the C.P.R. Directors' View—Mr. Hays Thinks Dividends Are All Right—Sir George Drummond Expects Improvement—Mr. J. B. Forgan Has Radical Views—Manufacturers Look for No Prolonged Reaction—French-Canadian Bankers Most Optimistic.

Any lengthy introduction to the expressions of opinion furnished to The Financial Post is unnecessary. This paper asked for opinions from a number of bankers, financiers and manufacturers for a memo. of their views on the situation developed during the past year and the outlook for the year 1908. In all the opinions received there is a hopeful vein and a tendency to dissociate the condition in Canada from that of the United States.

C.P.R. Most Concerned.

Actions speak louder than any words. At a time when railroads in the United States are afraid to peer the spectre of the future in the face and the announcement of any fresh issues of stock would have caused a decline of at least ten per cent., the directors of the C.P.R. decided on Dec. 30th to issue $28,320,000 new stock and to offer $24,336,000 forthwith. On this announcement the shares advanced three points.

The president, Sir Thomas Shaughnessey, expressed the directors' view of the outlook:

"Your directors are convinced that Canada will continue to progress and that if there be any temporary setback resulting from financial conditions in other parts of the world, it will prove comparatively unimportant. It is very important—indeed vitally important—that your company should proceed without cessation in the course adopted some years ago of adding to your facilities in every direction, so that you may be prepared to cope with the very largely increased traffic sure to be thrown on your lines."

Mr. Hays Says Dividends Can Be Maintained.

Mr. Charles M. Hays, general manager of the Grand Trunk Railway, in his view of the general situation in the United States and Canada says:

"So long as crops continue to be as satisfactory as the past year, and there is no serious failure in that direction, followed by successive failures, I see no reason why present conditions should not, like those of similar previous occasions, be only temporary.

"The decreases in net earnings of railways are accounted for, in part, by the increased cost of labor, supplies and material, and by the creation of the depreciation fund on rolling stock, provided in the recent revised classification of operating expenses determined upon by the Interstate Commerce Commission of the United States.

"Should the requirements of traffic be less the ensuing year than that just past, in our opinion the improvements made during the year in equipment, track and terminal facilities of the railways will enable them to serve the country better than has been the case in the past.

"I see no reason why, for the ensuing year, both Eastern and Western railways should not maintain existing dividends, with possibly one or two exceptions."

Improvement Abroad Likely.

A most comprehensive survey of the financial and business situation is presented every year at the annual meeting of the Canadian Bank of Commerce by Mr. B. E. Walker, formerly general manager and now president of the institution. That meeting takes place on Tuesday week, the 14th inst. The editor felt that he was asking perhaps too much of Mr. Walker to give an expression of his views in advance of his annual address. Mr. Walker, in an interview, said he believed much depended upon the first two weeks in January. If the improvement expected in many quarters took place in Great Britain and abroad one could speak with more assurance of the outlook.

Time to Catch Up.

Mr. J. Kerr Osborne, an active head of one of Canada's largest industrials, the Massey-Harris Company, and a director of many corporations, writes:

"I have been asked to express an opinion, on financial conditions, as they exist in Canada to-day. The causes of present conditions are not far to seek. It seems funny to say that they are the result of over prosperity; but this is largely correct. For some years every and all kinds of business in Canada has been prospering. Population has increased. Railway building has extended and business mercantile and manufacturing has greatly expanded. Everyone has tried to do all they could and enlarge and increase as much as possible. This is quite natural and perfectly legitimate, because the increase has been clean and healthy. However, such enlargements and extensions require more capital, and more cash, and these latter have not kept pace with the former.

Some people say there is as much money as ever, where is it! This is true, but there is more demand for it, and more is required. Just at present, there is not cash enough. Some of it has got locked up, some has been lost in various ways, and the banks are keeping a pretty tight grip on what they still have. What is wanted now is a little time to 'catch up.' Extensions and additions must stop a bit. There is less business to be done. Some have gone on as if set-backs would never come. We all want a rest. The last Northwest crop was disappointing. A good one next season would very materially adjust matters. Those who enjoy an export trade should get all the financial assistance they require, because they employ labor at home and bring in cash from abroad. The banks should be patient.

Municipalities should be less extravagant; manufacturers should slow up; people should be careful; banks should be patient, and in this way everyone will be able to catch up, without trouble or fuss or excitement."

Well Warranted Enthusiasm.

Mr. C. C. Ballantyne, one of the most active of Canadian manufacturers, says:

"I see nothing in the existing trade which would warrant any doubt about Canada's continued prosperity and future national development. True, we have experienced in the last few months a dropping off of business and a right desire to retrench, due altogether to the financial stringency. Canada to a large extent, due to wonderful prosperity and development during the last few years, and also owing to the more acute financial stringency in the United States, has temporarily suffered. This condition of affairs is being rapidly overcome, with the aid of our excellent banking system, which has again proven its efficiency and adaptability to the needs of the country.

"With improved financial conditions there is nothing, as I view the situaton, to cause us to entertain any other but our well warranted enthusiasm and belief that Canada and her rich resources are only beginning to be developed; that the new year which we are about to enter will be full of prosperity and happiness for all who do their full duty faithfully and well; that Canada's future is assured."

Live Quietly, Save Money.

A thoughtful general manager of one of our important banks who does not wish his name quoted says:

"The situation in Canada is generally sound. Under the stimulus of a series of profitable harvests, large immigration and expenditure on railway construction expansion was taking place very rapidly, but the persistent increase in bank loans in excess of the growth and deposits indicated that a halt had to be called. The banks commenced early in the year to put the brakes on and their wise action has saved the country from serious trouble.

The unsettled condition of financial affairs in other countries, and the partial failure of the harvest in the newer provinces, has emphasized the necessity for caution, and manufacturers and importers are preparing for reduced business for this year.

"In the newer provinces there has been over-speculation in real estate and over-crediting on the part of merchants, and those who have business relations with that part of the country must direct their energies to making collections and reducing credits.

"If every one will be content to go slowly, to keep their business well under control, to restrict credit, to live quietly, to save money, instead of spending it, they will soon create sufficient capital to carry on all legitimate transactions and to lay a foundation for a fresh onward movement."

(Continued on page 8.)

SPECIAL NOTE.

Owing to the pressure of general matter on the columns of this issue the individual review of Canadian securities has been held over till next week, when the earnings record and price ranges for four years of all active securities quoted on the Canadian exchanges will be presented.

The Bank of Montreal have opened a branch at Magrath as a sub-agency to Lethbridge branch under management of Mr. R. S. Mabee as acting sub-agent.

The Royal Bank have opened a branch office on Bridge St., Vancouver, under the management of Mr. G. H. Kerr.

BANK OF MONTREAL

(ESTABLISHED 1817)

Incorporated By Act of Parliament

Capital (all paid up), $14,400,000.00. Rest, $11,000,000.00. Undivided Profits, $422,689.98

HEAD OFFICE–MONTREAL

BOARD OF DIRECTORS

Rt. Hon. Lord Strathcona and Mount Royal, G.C.M.G., Honorary President; Hon. Sir George A. Drummond, K.C.M.G., President; E. S. Clouston, Esq., Vice-President; A. T. Paterson, Esq., R. B. Angus, Esq., E. B. Greenshields, Esq., James Ross, Esq., Hon. Robt. Mackay, Sir William C. Macdonald, R. G. Reid, Esq.

E. S. Clouston, General Manager. A. Macnider, Chief Inspector, and Superintendent of Branches.
H. V. Meredith, Assistant General Manager, and Manager at Montreal.
C. Sweeny, Superintendent of Branches, British Columbia. W. E. Stavert, Superintendent of Branches, Maritime Provinces.
F. J. Hunter, Inspector N. West and Br. Col. Branches. E. P. Winslow, Inspector Ontario Branches.
D. R. Clark, Inspector Maritime Provinces and Newfoundland Branches.

BRANCHES IN CANADA

Province of Ontario.—Alliston; Almonte; Aurora; Belleville; Bowmanville; Brantford; Brockville; Chatham; Collingwood; Cornwall; Deseronto; Eglinton; Fenelon Falls; Fort William; Goderich; Guelph; Hamilton; Hamilton, Sherman Ave.; Holstein; King City; Kingston; Lindsay; London; Millbrook; Mount Forest; Newmarket; Ottawa; Ottawa, Bank Street; Ottawa, Hull, P. Q.; Paris; Perth; Peterboro; Picton; Port Arthur; Port Hope; Queensville; Sarnia; Stratford; St. Marys; Sudbury; Toronto—Front Street, Yonge Street, Wellington Street, Queen Street, Richmond Street, Carlton Street; Trenton; Tweed; Wallaceburg; Warsaw; Waterford.

Province of Quebec—Buckingham; Cookshire; Danville; Fraserville; Grand Mere; Lake Megantic; Levis; Montreal—Head Office, Hochelaga, Papineau Avenue, Point St. Charles, Seigneurs Street, Ste. Anne de Bellevue, St. Henri, West End, Westmount; Quebec; Quebec, Upper Town, St. Roch's; Sawyerville.

Province of New Brunswick—Andover; Bathurst; Chatham; Edmunston; Fredericton; Grand Falls; Hartland; Moncton; Shediac; St. John; Woodstock.

Province of Nova Scotia—Amherst; Bridgewater; Canso; Glace Bay; Halifax; Halifax, North End; Lunenburg; Mahone Bay; Port Hood; Sydney; Wolfville; Yarmouth.

Northwest Provinces—Altona, Man.; Brandon, Man.; Calgary, Alta.; Edmonton, Alta.; Indian Head, Sask.; Lethbridge, Alta.; Oakville, Man.; Portage la Prairie, Man.; Raymond, Alta.; Regina, Sask.; Rosenfeld, Man.; Saskatoon, Sask.; Winnipeg, Man.; Winnipeg, Fort Rouge; Winnipeg, Logan Avenue.

Province of British Columbia—Armstrong; Chilliwack; Enderby; Greenwood; Kelowna; Nelson; New Denver; New Westminster; Nicola; Rossland; Summerland; Vancouver; Vancouver, Westminster Ave.; Vernon; Victoria.

IN NEWFOUNDLAND: ST. JOHN'S, Bank of Montreal. BIRCHY COVE, Bay of Islands, Bank of Montreal.

IN GREAT BRITAIN: LONDON, Bank of Montreal, 46-47 Threadneedle Street, E.C. (F. W. Taylor, Manager.)

IN THE UNITED STATES: NEW YORK (R. Y. Hebden, W. A. Bog, J. T. Molineux, Agents), 31 Pine Street. CHICAGO, Bank of Montreal (J. M. Greata, Manager). SPOKANE, Wash., Bank of Montreal

IN MEXICO: MEXICO, D.F. (T. S. C. Saunders, Manager.)

BANKERS IN GREAT BRITAIN

LONDON, The Bank of England.
" The Union of London and Smith's Bank, Ltd.
" The London and Westminster Bank, Ltd.
" The National Provincial Bank of Eng, Ltd.
LIVERPOOL, The Bank of Liverpool, Ltd.
SCOTLAND, The British Linen Company Bank, and Branches

BANKERS IN THE UNITED STATES

NEW YORK, The National City Bank.
" The Bank of New York, N.B.A.
" National Bank of Commerce of New York
BOSTON, The Merchants' National Bank.
BUFFALO, The Marine Natl. Bank, Buffalo
SAN FRANCISCO, The First National Bank.
" " The Anglo Californian Bank, Ltd.

Head Office, Montreal

The MERCHANTS' BANK
OF CANADA

ESTABLISHED 1864

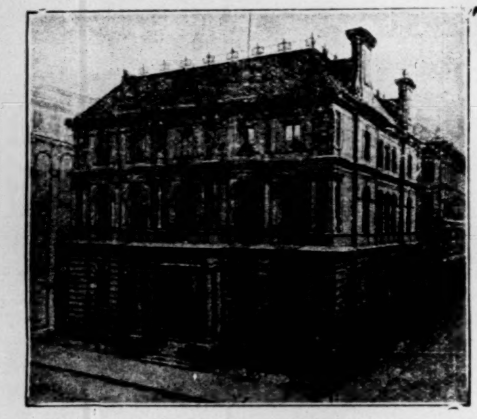
President—Sir H. Montagu Allan
Vice President—Jonathan Hodgson, Esq.
E. F. Hebden, General Manager

Capital Paid-up	**$6,000,000**
Reserve Fund and Undivided Profits	**4,267,400**
Total Assets over	**52,000,000**
Total Deposits over	**36,000,000**

119 Branches and Agencies in Ontario Quebec, Manitoba, Saskatchewan, Alberta, and British Columbia.

A General Banking Business Transacted.
Special attention given to collections

SAVINGS BANK DEPARTMENT
AT ALL BRANCHES.



HEAD OFFICE, MONTREAL.

THE MOLSONS BANK

Capital paid up, $3,371,980
Reserve Fund, - 3,371,980

JAMES ELLIOT - General Manager
A. D. DURNFORD - Chief Inspector

61 BRANCHES THROUGHOUT CANADA

THE METROPOLITAN BANK

Capital Paid up	**$1,000,000.00**
Reserve Fund and Undivided Profits	**$1,183,713.23**

DIRECTORS:

S. J. MOORE, PRESIDENT. D. E. THOMSON, K.C., VICE-PRESIDENT.
HIS HONOR SIR W. MORTIMER CLARK, K.C.
THOMAS BRADSHAW JOHN FIRSTBROOK JAMES RYRIE

Head Office : TORONTO

W. D. ROSS, GENERAL MANAGER.

GENERAL BANKING BUSINESS. SAVINGS DEPARTMENT AT ALL BRANCHES

BANQUE D'HOCHELAGA

Capital Authorized, $4,000,000

Capital paid up, $2,482,000 Rest and undivided profits, $2,045,894

DIRECTORS:

F. X. ST. CHARLES, ESQ. - - - - President
ROBT. BICKERDIKE, ESQ., M.P. - - - - Vice-President
HON. J. D. ROLLAND, ESQ. J. A. VAILLANCOURT, ESQ.
A. TURCOTTE, ESQ. R. H. LEMAY, ESQ. J. M. WILSON, ESQ.
J. A. PRENDERGAST, General Manager. C. A. GIROUX, Manager

HEAD OFFICE - - - MONTREAL

CITY BRANCHES—Mount Royal Avenue (corner St. Denis), St. Catherine Street East, St. Catherine Street Centre, Notre Dame Street West, Hochelaga, Maisonneuve, Point St. Charles, St. Henry, Town of St Louis

BRANCHES:—Berthierville, P.Q., Edmonton, Alta., Joliette, P.Q., Laprairie, P.Q., Louiseville, P.Q., Quebec, P.Q., Quebec, St. Roch, Sorel, P.Q., Sherbrooke, P.Q., St. Boniface, Man., St. Hyacinthe, P.Q., St. Jacques L'Achigan, P.Q., St. Jerome, P.Q., St. Pierre, Man., Three Rivers, P.Q., Valleyfield, P.Q., Vankleek Hill, Ont., Winnipeg, Man.

Are Real Estate Values Inflated?

To solve such problems read the Post's real estate and mortgage column. It provides the facts. You can draw your own conclusions. The information it contains is worth many times the subscription price of $3.00 per year.

THE FINANCIAL POST

Bank Stocks

We make a specialty of this class of securities.

WILLS & CO.,

Phone Main 4766

18 Adelaide Street East, Toronto

THE DECLINE IN LE ROI.

A Reminiscence of the Rossland Boom —Is a Dividend Likely.

The Post's London correspondent writes: The recent gradual decline in the quotation for the shares of the Le Roi mine, of British Columbia, to 15s, compared with 37s 6d earlier in the year, has suggested that no dividend would be forthcoming for the present year. This is realized by the directors' report, issued on Monday, wherein it is stated that 131,696 tons of ore were "produced" in the year to June, having a value of 42s per ton, as compared with nearly 50s last year. The management attributes this decline to the increase of copper in the ore, and the decrease of gold, but even so the management ought to have been able to secure a fair profit. As matters are, the position of the Le Roi appears to be that the mine cannot earn dividends unless copper improves to round about £100 per ton—quite an unlikely contingency. Working costs need to be reduced materially. Development, we are told, at the lower levels has been strenuously carried on, and large bodies of ore exposed, but as it is low-grade, this does not make the outlook rosy. Probably a better view may be placed on affairs by the chairman at the forthcoming meeting. The shares at £15 represent a total market value for the property and assets of £150,000—not a great deal it must be admitted, but as much as the mine's merits appear to warrant. In mining markets here generally business is extremely quiet. South African shares are quite neglected despite a long list of good dividend announcements.

The Northwest Crop

ITS FARM VALUE WAS BELOW THAT OF PREVIOUS YEAR.

Acreages and Values Compared—Statistics of Crop and Movement—Grain Moved More Expeditiously This Year—Better Prospects for 1908—The Wheat Land Will Gain a Million Acres.

At the close of the year it is instructive to review the results of the past and to speculate on the hopes of the west for the future. Of course the most important industry we have is farming and there will never be any question that our soil is specially adapted to the growing of wheat, to say nothing of oats, barley and flax. The present year is sufficient proof of this, for with unprecedented conditions and weather the west was able to produce crops which were remarkable under the circumstances.

The acreage of wheat was the same in 1906 and 1907 and is given as 5,013,544 acres. The yield, however, in the two years was very different. In 1906 everything went well; seeding was early, rain came at the proper time, and July and August were warm and dry, the result being a crop of about 95,000,000 bushels for the west. This year seeding was very late, June was too dry and July and August were cold, with summer frosts on two or three occasions, so that the yield per acre was only 12.9 bushels or a total of about 65,000,000 bushels.

Oats in 1906 yielded 75,358,000 bushels against 81,395,000 in 1907.

Barley in 1906 yielded 17,362,000 bushels, against 16,795,000 in 1907.

Flax in 1906 yielded 1,000,000 bushels against 1,500,000 in 1907.

At the market prices prevailing each year, the results would figure out in dollars to the farmer:

1906			
Wheat	95,000,000 bus.	@ 60c	$57,000,000
Oats	75,000,000 bus.	@ 20c	15,000,000
Barley	17,000,000 bus.	@ 28c	4,760,000
Flax	1,000,000 bus.	@ 90c	900,000
Total			$77,660,000

It must be remembered that the above prices are figured to be what the farmer would get for his grain and of course the profits of the railways and transportation companies and the merchants should be added to find the full value of the crops to the country. At the same time not nearly all the above quantity was actually sold by the farmers. They had to keep enough wheat for seed and the mills used considerable for the local flour supply. Also the greater part of the oat crop is used for feeding purposes on the farms and a very small percentage is exported to foreign countries.

Working out this year's results on the same system, we find fully half the wheat grading No. 4 or lower, so we figure:

1907	
Wheat, 30,000,000 bushels, high grade, at 85 cents	$25,500,000
Wheat, 35,000,000 bushels, low grade, at 50 cents...	17,500,000
Oats, 81,000,000 bus. @ 25c	20,250,000
Barley, 16,795,000 bus. @ 30c	5,038,500
Flax, 1,500,000 bus. @ 90c	1,350,000
Total value	$69,638,500

It may be thought we have put the prices of oats and barley too low, but this is because the grades are mostly rejected, which are worth very much less than the highest grades.

The difference in value is really greater than the above figures would indicate, when we remember that wheat is the chief grain that is exported. Deducting the amount required for bread and seed as 17,000,000, it leaves 78,000,000 at 60 cents, to be shipped in 1906, equalling $46,800,000.

The same way 1907 gives 20,000,000 high grade wheat at 85, equalling $17,000,000, and 28,000,000 low grade, at 50, equalling $14,000,000, a total of $31,000,000, or a higher value for the crop of 1906 by $15,800,000.

Seeing that 1906 is the biggest crop the west has ever raised and was also of splendid quality, there need be no cause for alarm, because this year's has fallen short of it.

There is one feature of this year's crop that must be given due weight when comparing the marketing and movement with last year. The harvest was very late and consequently the movement of the crop to the lake front was also delayed. The actual number of cars inspected shows that the movement was greater last year, but it is surprising the difference is not greater, for it is really comparing three months with four, since in the month of September last year wheat was moving freely while it did not start this year till October. Taking the figures for October, November and December, more grain will be found to have been moved in these three months this year than last. The tightness of money made it imperative to hurry the shipments and the poor quality of much of the crop made farmers and merchants loath to hold, while the high prices prevailing were an extra inducement to ship quickly.

Last year, from the start of the crop up to December 21, the following cars were inspected at Winnipeg:

1906—1 hard, 2,725; 1 northern, 12,237; 2 northern, 7,592; 3 northern, 735; number 4, 200; feed, 22; rejected for smut, 3,006; no grade, tough, 105; rejected for seeds and weeds 2,300; condemned, 5; total spring wheat, 28,927 cars.

The figures for 1907, up to Dec. 21, are: 1 hard, 118; 1 northern, 4,198; 2 northern, 6,072; 3 northern, 5,076; number 4, 2,409; feed, 2,023; rejected for smut, 696; no grade, tough, 1,869; rejected for seeds, 602; condemned, 22; number 5, 1,670; number 6, 1,066; feed two, 1,437; total spring wheat, 27,258 cars.

These figures show up the difference in the grading. In 1906 the whole crop was practically 2 northern or better for the rejected cars were nearly all high grade wheat, but rejected for smut or weeds. This year almost half the inspections are below three northern. There has been more winter wheat from Alberta inspected this year than ever before. Up to December 21 the figures are:

	1907	1906
1 Alberta red	51	92
2 Alberta red	123	59
3 Alberta red	230	35
1 white winter	5	25
2 white winter	6	18
3 white winter	9	7
1 mixed winter	6	12
2 mixed winter	8	2
3 mixed winter	2	2
Rejected smutty	48	108
Tough	7	3
4 winter	107	45
5 winter	102	
6 winter	23	
Feed	19	
Feed 2	4	
Total cars	750	368

This makes the total number of cars of wheat for the two years as follows:

	1907	1906
Spring	27,258	28,927
Winter	750	368
Total cars	28,008	29,295

When we come to oats, barley and flax, we find that the movement this year has been considerably larger than that of 1906.

OATS

	1907	1906
No. 1	38	412
No. 2	673	1,741
No. 3	467	281
Rejected	1,868	106
No grade, tough	331	24
Condemned	10	4
No. 2, mixed	11	44
No. 3, mixed		2
Total cars	3,398	2,614

BARLEY

	1907	1906
No. 3, extra	5	56
No. 3	384	456
No. 4	612	388
Rejected	254	93
No grade, tough	105	7
Feed	86	
Condemned	10	
Total cars	1,456	1,000

In both oats and barley it will be noticed that the grading is not so good this year, more cars having inspected rejected and no grade.

In flax the grading is better though even here the proportion of rejected cars has increased.

FLAX

	1907	1906
1 northwestern Manitoba	551	385
1 Manitoba	185	24
Rejected	63	4
No grade	3	1
Total cars	802	414

Another interesting comparison is the prices prevailing this year and last. Taking the date, December 10, when navigation at the head of the lakes is about closed, we find the following in store Fort William:

	1907	1906
1 northern	100½	75⅛
1 northern	100½	73⅞
2 northern	97½	71¼
3 northern	90½	69
No. 4	84	66
No. 5	71	no such grade
No. 6	56	no such grade
Feed	46½	none offering
Feed 2	35½	no such grade

The price of 1 nor. for May dely. was 106⅝ on Dec. 10 this year, as compared with 77¼ on Dec. 10, 1906.

The comparative values of oats and flax are as follows:

	1907	1906
2 white oats	43½	34½
3 white oats	40	33
Rejected	31¼	32
1 northwest flax	102	116
1 Manitoba	100	114

Seeing the country elevators have been shipping as fast as they can get cars, it is natural to find the stocks in the country much less than in 1906, while the amount in store at Fort William and Port Arthur is greater. On December 15, 1906, the amount of wheat in store at country points was 19,500,000 bus., while this year on Dec. 1 it was 8,785,852. During the first 15 days of December they have not altered much so for all practical purposes we may call stocks in country points this year 8¾ million bus., as against 19½ millions last December.

This time last year the stocks in farmers' hands were estimated at 14,884,000 bus., that is, after allowing for seed, but it was conceded afterwards that the wheat in December to be marketed must have been nearer 22,000,000 bushels, since the crop turned out more than was first expected.. This year the balance in farmers' hands to market cannot be more than 9 or 10 million bushels, after allowing for seed, or less than half what was left last year.

This means that there is not more than 17,000,000 bus. of wheat to come forward from the country, as against 41,500,000 bus. last year.

With the new year the west turns with great confidence to thoughts of the crops that are in store for it during the coming seasons. Experts tell us that only the fringe of our arable land has been touched and that all we want is the population to produce unlimited quantities of grain. What then may we expect the acreage for next spring to be? In 1906 it was estimated that 5,013,544 acres were seeded with wheat. This was also about the area planted in 1907, as the lateness of the season made it impossible for the farmers to put in all the crop they expected. As a consequence, a larger amount was left as summer fallow ready to seed as soon as the next season opens. The increase for this year, therefore, should be greater than usual because there will be what we ought to have had last year, besides the normal annual increase. Provided the spring is an early one and the weather is favorable, we figure there should be a twenty per cent. increase.

This will give us an acreage of about 6 million acres of wheat, which with an average yield will give the west a bigger yield than ever before.

The acreage of oats in 1907 was estimated at 2,373,030 acres, and there should be an increase in this also, though not quite so large as in wheat, because the seeding of oats. this year was not interfered with to the same extent by the late spring.

Altogether, from an agricultural standpoint, the year 1908 looks very promising for the west. We do not see what is to hinder the continued development. The only difference is it will be faster during the next five years than it has been between 1902 and 1907. We hope that and honestly believe that it will, and therefore venture this prophecy.

K. B. Stoddart.

N.B.—To get the amount of bushels for the above car receipts, take a car of wheat, 1,150 bus.; a car of oats, 1,800 bus.; a car of barley, 1,200 bus.; a car of flax, 1,100 bus.

This is about the average.

THE CANADIAN BANK OF COMMERCE

HEAD OFFICE, TORONTO ESTABLISHED 1867

B. E. WALKER, President.
ALEX. LAIRD, General Manager,
A. H. IRELAND, Superintendent of Branches

Paid-up Capital,	$10,000,000
Rest, - - - -	5,000,000
Total Assets, -	113,000,000

BOARD OF DIRECTORS:

B. E. Walker, Esq., President Robert Kilgour, Esq., Vice-President
Hon. Geo. A. Cox, Joseph W. Flavelle, Esq. H. D. Warren, Esq.
Matthew Leggat, Esq. A. Kingman, Esq. Hon. W. C. Edwards
James Crathern, Esq. Hon. L. Melvin Jones, Z. A. Lash, Esq., K. C.
John Hoskin, Esq., K.C., LL.D. Frederic Nicholls, Esq. E. R. Wood, Esq.

New York Agency: 16 Exchange Place
Wm. Gray and H. B. Walker, Agents

Toronto Branch
M. Morris, Manager
C. Cambie, Asst. Manager

London (England) Branch: 2 Lombard Street, E.C.
S. Cameron Alexander, Manager

Branches in Every Province of Canada and in the United States and England.

This Bank transacts every description of Banking Business, including the issue of Letters of Credit and Drafts on Foreign Countries, and will negotiate or receive for collection bills on any place where there is a bank or banker.

BANKERS IN GREAT BRITAIN

The Bank of England; The Bank of Scotland; Lloyds Bank, Limited; The Union of London and Smiths Bank, Limited

The Dominion Bank

HEAD OFFICE - TORONTO, ONT.

Capital Paid-up	**$3,800,000**
Reserve Fund and Undivided Profits	**4,900,000**
Deposits by the Public	**35,600,000**
Total Assets	**47,900,000**

DIRECTORS:

E. B. OSLER, M.P., President.
WILMOT D. MATTHEWS, Vice-President.
A. W. AUSTIN, JAS. CARRUTHERS, J. J. FOY, K.C., M.L.A.
W. R. BROCK, R. J. CHRISTIE, A. M. NANTON, J. C. EATON,
CLARENCE A. BOGERT, General Manager.
H. J. BETHUNE, Superintendent of Branches.

Sterling and Continental Exchange Bought and Sold.

Agents in Great Britain—The National Bank of Scotland, Limited, and its branches.

Branches and Agents throughout Canada.

Commercial and Travellers' Letters of Credit issued, available in all parts of the world.

Bank of Toronto

HEAD OFFICE, TORONTO, ONT.

Capital	**$4,000,000**
Rest and Undivided Profits	**$1,650,000**
Assets	**$38,000,000**

ACCOUNTS opened for firms, corporations and business men.

MONEY LOANED to responsible people.

LETTERS OF CREDIT issued for Travellers or for Importers, containing every facility for safe and convenient banking.

INTEREST paid on Savings Deposits.

EFFICIENCY and **SATISFACTORY SERVICE** will be found in every department of our business.

73 Branches in Ontario, Quebec and the West.

CORRESPONDENTS IN

NEW YORK - - - National Bank of Commerce
CHICAGO - - - First National Bank
LONDON, ENG. - London City and Midland Bank, Limited

Incorporated 1855

A SUBSTITUTE FOR CHAMPAGNE.

Now that Christmas is at hand many of those who are naturally hospitable may feel that they cannot afford champagne, although they would like to have it for Christmas dinner. To those the advice is given to place some bottles of radnor water in a very cool place and to serve radnor with good Scotch or rye whisky. The resulting beverage is quite equal to champagne.

THE
STERLING BANK
OF CANADA

Head Office, 50 Yonge Street, Toronto

THIS BANK IS EQUIPPED TO TRANSACT A GENERAL BANKING BUSINESS IN ALL ITS BRANCHES AND WILL, THEREFORE, WELCOME ACCOUNTS OF FIRMS, CORPORATIONS AND INDIVIDUALS, TO WHOM IT ASSURES COURTEOUS TREATMENT AND EVERY FACILITY CONSISTENT WITH PRUDENT AND CONSERVATIVE BANKING METHODS.

F. W. BROUGHALL
General Manager.

Toronto Humane Society
103 Bay Street

President—Ven. Archdeacon Sweeny, D.D.
Hon. Treas.—Col. John I. Davidson.

Everyone is requested to report any case of cruelty promptly, so that it may be investigated.

TELEPHONE M. 1958

Contributions for the work earnestly requested.

Dora Speers, Secretary

THE WALL STREET JOURNAL

Founded 1882

Largest Circulation of any Financial Paper in America $1 a month; $12 a year. DOW, JONES & Co., Publishers, 44 Broad St., NEW YORK, N. Y.

Would you be interested in a method of simplifying your accounting system which will save several unnecessary transcriptions and ensure greater accuracy.

The Underwood bookkeeping typewriters will do this and a great deal more. Let us show you a way to increase YOUR profits.

United Typewriter Company, Limited
Adelaide Street East, Toronto

THE
ROYAL BANK
OF CANADA

INCORPORATED 1869

Capital paid up - - $3,900,000
Reserve - - - $4,390,000
Total Assets - - $48,000,000

HEAD OFFICE - - - - MONTREAL
EDSON L. PEASE, General Manager

Eighty-five Branches in Canada
St. John's, Newfoundland
Eight Agencies in Cuba Agency at San Juan, Porto Rio
New York City—68 William Street

BUSINESS ACCOUNTS CARRIED UPON FAVORABLE TERMS
SAVINGS DEPARTMENTS AT ALL BRANCHES
CORRESPONDENCE SOLICITED

ÆMILIUS JARVIS C. E. A. GOLDMAN

Æmilius Jarvis & Co.
(Members Toronto Stock Exchange)
BANKERS and BROKERS
Toronto

WE especially solicit enquiries and correspondence from investors who desire to place their money in securities which will ensure them absolute safety and at the same time bring them a fair return of interest. Advice on investments gladly given.

BONDS

The Sovereign Bank of Canada
Head Office, Toronto
Capital, all Paid Up - $3,000,000
ÆMILIUS JARVIS - President
F. G. JEMMETT, - Gen. Manager
R. CASSELS, - Asst. Gen. Manager

This Bank has facilities for transacting a general banking business, and issues Letters of Credit and Drafts on Foreign Countries.

United
Empire
Bank of Canada

"This Bank shows a steadily increasing patronage, due to its strength, conservatism and general policy. If you have in mind the opening of a new account, either savings or checking, we cordially invite you to become a depositor"

George P. Reid, General Manager

Information
about every conceivable subject finds its way into the newspapers. The function of THE Canadian Press Clipping Bureau is to collect all the items of information appearing in Canadian newspapers about any subject you are interested in. Our service is thorough. We don't miss an item. If you want all the current information about a pet subject, we can supply it at the lowest cost. By using our service you can keep posted on any subject.

Write for our Free Booklet.

The Canadian
Press Clipping Bureau,
232 McGill St. MONTREAL 10 Front St. E TORONTO

Western Assurance Company,
Fire and Marine
Established 1851.
Head Office, - - - Toronto

Ottawa Fire Insurance Co.
Head Office, - - Ottawa, Canada

1879-1907
Richmond & Drummond
Fire Insurance Company,
Head Office, - Richmond, Quebec
$60,000 Deposited with the Government for Security of Policy Holders.
J. C. McCaig, General Manager

A strictly tariff company. Writes Canadian business only. Represented by the following general agents throughout the Dominion.
J. H. Ewart, 18 Wellington St. E., Toronto Ont.
O. H. Day, Ashdown Block, Winnipeg, Man.
John J. Banfield, 607 Hastings St, Vancouver, B.C.
Judson G. Lee, 160 St. James St., Montreal
Beverley R. Armstrong, St. John, N.B.
Local Agents wanted in unrepresented districts.

THE COBALT OUTPUT

FOR 1907 IT WILL BE ABOUT $5,650,000.

Not Ten Millions, as Has Been Stated—Twenty-five Mines Have Shipped in the Twelvemonth—The Permanency of the Camp Has Been Proved—A Not Unsatisfactory Result.

The year 1907 ends with an atmosphere of quiet in the Cobalt camp in great contradistinction to its beginning when the first hole in its inflation had been punctured by the withdrawal of the Guggenheims from the Nipissing purchase at $25 a share. Looking backward in the light of history the Guggenheims woke up after their first enthusiasm to find that they had committed themselves to a fabulous price for a mining prospect however rich and extensive it might be. Their experience was the same as that of the general public. The incident serves to show how astute mining men can be carried away for the moment by the glitter of undeveloped riches. It was unfortunate for the public that it had been transported by the same furore and had paid on a similarly absurd basis for all the properties, many of them possessing little intrinsic merit. The depreciation in all securities quickly pricked the Cobalt balloon. The water, however, had been well squeezed out before the October panic in Wall Street, and as by that time there were practically no mining shares carried on margin, they were in the hands of people who had bought them outright and were prepared to await further developments.

The year ends with a not unsatisfactory result. The Cobalt camp has proved its permanency. During the twelvemonth 25 mines have shipped ore. The indications are that the camp can be relied on for 20 shipping mines in 1908. Some of these may reach the end of their tether, but their places are as likely as not to be taken by other properties. There are, for example, two certain shippers in the Lawson whenever that tangle is finally unravelled, and in Cobalt Lake.

The camp has shipped during the year 14,082 tons. Various values have been placed on the ore. Newspapers and government bulletins have talked of a value of $10,000,000. In nine months, ending Sept. 30th, the entire Province of Ontario had produced a little under 7,000,000 ounces of silver. Most of this silver was from Cobalt, and its value was about $4,300,000. Cobalt had shipped at that time some 9,257 tons. Silver was calculated then on an average basis of 62 cents an ounce. In the past three months it has declined to 52½ cents, so that averaging the silver values for these three months at 55 cents, and assuming that the average grade of ore produced in the last quarter was the same as in the first three-quarters of the year, and there is no reason to believe that its value is higher, the total production of the camp will run in value about $5,650,000. Why writers who might know better continue to talk of $10,000,000 or $12,000,000, it is difficult to ascertain. We find the statement copied in government reports and in accurate financial papers like the Wall Street Journal. As silver is now nearly 20 cents lower than earlier in the year, assuming that the mining costs are 20 cents an ounce, the profits of the silver camps have been reduced by 40 per cent.

The Christmas season is always a holiday time for the miners, and many are away on leave. Consequently in the last week of the year, only two mines made shipments, the Trethewey, with one carload of 62,000 lbs., and the King Edward, the highly inflated New York promotion, appears for the first time with a shipment from the Watts property of 62,250 lbs. The production in the past few months has been greatly increased by the La Rose's activity. While the mine has much high grade ore, the shipments were in many cases from the dumps, and will not run as high in value as might have been expected.

The shipments for the year and by months follow:

	Year to date lbs.
La Rose	5,698,006
Coniagas	4,797,550
Nipissing	4,829,949
O'Brien	2,731,496
Buffalo	2,344,300
Trethewey	1,510,138
Silver Queen	957,148
McKinley-Darragh	1,369,870
Foster	691,800
Kerr Lake	644,890
Temiskaming	345,111
Townsite	286,430
Nova Scotia	493,000
Hudson Bay	298,670
Green Meehan	196,790
Cobalt Central	141,877
Right of Way	258,220
Drummond	108,920
City of Cobalt	101,230
Colonial	74,250
University	61,385
Silver Leaf	93,618
Red Rock	40,000
Imperial	37,530
King Edward	62,250
Total pounds	28,164,428
Total tons	14,082.21

By months:

	November lbs.	December lbs.
La Rose	3,334,685	215,350
Coniagas		175,890
Nipissing	317,500	320,249
O'Brien	260,000	60,780
Buffalo	40,000	160,000
Trethewey	53,750	62,000
Silver Queen	120,000	
McKinley-Darragh	121,270	395,420
Foster	98,500	
Kerr Lake	106,040	105,120
Temiskaming	126,000	45,600
Townsite	42,200	
Nova Scotia	92,230	244,770
Hudson Bay	134,000	64,000
Green Meehan		
Cobalt Central		
Right of Way		123,690
Drummond		
City of Cobalt	101,230	
Colonial		
University		50,100
Silver Leaf		
Red Rock		
Imperial		
King Edward		622,505
Total lbs.	4,947,405	2,085,219
Total tons	2,473.70	1,042.60

	October	September
La Rose	928,118	251,550
McKinley-Darragh	703,180	
Coniagas	65,000	189,000
Nipissing	61,010	325,850
Buffalo	240,000	240,000
O'Brien	64,575	60,760
Silver Queen	65,000	120,000
Foster	66,000	190,950
Trethewey	183,670	
Kerr Lake	59,950	
Townsite	42,000	
Nova Scotia		60,000
Drummond	64,830	
Pounds	2,543,333	1,438,110
Tons	1271.66	719.05

	July.	August.
Coniagas	1,178,390	288,640
Nipissing	226,695	1,020,763
O'Brien		61,000
Buffalo	240,000	380,000
Trethewey	50,000	65,000
La Rose	140,115	148,405
Silver Queen	87,000	176,000
Kerr Lake		124,780
Foster	52,000	64,000
McKinley-Darragh	80,000	
Cobalt Townsite		66,000
Temiskaming		119,011
Hudson Bay	45,170	
Colonial	34,250	
Silver Leaf	43,518	
Imperial	37,530	66,000
Total lbs.	2,214,668	2,579,599
Total tons	1,107.33	1,289.75

	May. Lbs.	June. Lbs.
Coniagas	682,920	1,589,640
O'Brien	557,290	64,520
Nipissing	433,310	477,450
Trethewey	229,020	224,200
Buffalo	82,770	281,130
Hudson Bay	55,500	
Temiskaming	54,500	
Townsite	46,070	
Silver Queen	44,000	124,580
Cobalt Central	40,000	
Right of Way	1,400	129,330
La Rose		316,216
Kerr Lake		94,000
Colonial		40,000
Drummond		44,090
Foster		40,000
	2,226,780	3,425,156

	March.	April.
Nipissing	565,801	
O'Brien	403,470	389,160
Buffalo	241,400	40,000
Trethewey	296,440	167,410
Coniagas	127,920	217,350
La Rose	65,000	
Green-Meehan		67,200
Cobalt Central	34,920	
Foster		
Kerr Lake		80,000
Cobalt Townsite	43,000	
McKinley-Darragh		
Red Rock	40,000	
Right-of-Way	3,800	
Total lbs.	1,821,751	961,120

	Jan.	Feb.
Nipissing	623,701	457,620
O'Brien	419,831	390,110
Buffalo	279,000	120,000
Trethewey		178,648
Coniagas	174,220	108,580
La Rose	123,500	175,067
Silver Queen	125,683	94,885
Green-Meehan	61,210	68,380
Foster	43,600	56,750
Kerr Lake		75,000
Cobalt Central		66,957
University	61,385	
McKinley-Darragh	60,000	
Cobalt Townsite	47,160	
Nova Scotia		30,000
Total lbs.	2,019,290	1,821,997

LONDON QUIET.

London, Dec. 23.—The London stock markets have shown a very quiet tone throughout the past ten days, owing chiefly to the renewed uncertainty with regard to the situation in New York and the continued end-year stringency shown in the international money market situation and to some extent also to the nearness of the Christmas holidays, which break into the current stock exchange account. That after the speculation of last week quotations have given way in many instances is a by no means unfavorable development. As has been previously insisted in these notes, there is an enormous amount of wreckage to be cleared away, and the time has not yet arrived for assuming that all difficulties have disappeared. Consequently, speculators are going cautiously, and it is quite as well for any advance to be kept within reasonable limits. Liquidation in the American market will not be over for many months, and it is probable that quotations for leading American shares will be lower before they are materially higher. In the home railway market the publication of the official details of the working arrangement between the important Great Central and Great Northern lines has failed to create much enthusiasm, although it is confidently anticipated that considerable economies will result, and that the example of these companies will be followed by other leading British railways. These two companies, which compete at many important provincial centres, will thence forward pool their net receipts.

British Railway Dividends.

The season is now approaching when the English railway market may be expected to commence estimating the probable dividend declarations for the current half-year, but calculations must necessarily be of a more general character on this occasion, owing to the very doubtful factor of coal expenditure. This will probably absorb from £60,000 to £100,000 extra in the case of some of the heavy or goods carrying lines, and necessarily militates seriously against the prospect of increased distributions. Materials generally were at a high range of prices early in the current half-year, but there has been recently some improvement in this respect from the consumers' standpoint. More economical methods of working should offset any increase under the head of labor. With regard to gross earnings, the North-eastern will probably finish the half-year at the head of the list with a gain of nearly £350,000, followed by the North-western with an increase of £325,000.

BANK OF
NOVA SCOTIA
INCORPORATED 1832
Capital - - - - $3,000,000
Reserve Fund - - - $5,250,000
Head Office: HALIFAX, N.S. General Manager's Office TORONTO

A general banking business transacted

Savings Accounts opened by deposit of $1 or over. Interest added quarterly.

FOR THE INFORMATION OF DEPOSITORS
This is the only Bank having its Head Office in Canada that submits its books and statements to examination by strictly independent auditor.

THE STANDARD BANK
OF CANADA.
DIVIDEND No. 69

Notice is hereby given that a dividend at the rate of Twelve per cent. per Annum upon the paid-up Capital Stock of the Bank has been declared for the Two Months ending 31st January, 1908, and that the same will be payable at the Head Office and Branches of the Bank on and after
Saturday, the 1st day of February 1908
The Transfer Books will be closed from the 20th to the 31st of January, 1908, both days inclusive.
THE ANNUAL GENERAL MEETING
of the shareholders (in accordance with the resolution passed at the last Annual Meeting) will be held at the Head Office of the Bank on
Wednesday, the 19th day of February, 1908
The chair will be taken at twelve o'clock noon. By order of the Board.
GEO. P. SCHOLFIELD, General Manager
Toronto 17th December 1907.

THE BANK OF OTTAWA
Head Office: Ottawa, Ont.
Capital, - - - - - - $3,000,000
Rest and Undivided Profits, - - 3,236,513
Branches and Agents throughout the Dominion of Canada.
Savings Department in connection with all Branches.
GEORGE BURN, General Manager

I Can Show You Some Sound Investments
As a specialist in industrial investments of the solid, safe, paying kind, I learn of things that you probably wouldn't hear of until the opportunity was past. I would like to correspond with you NOW,—when money is tight and scarce, about some values you can pick up for fewer dollars than they're worth.
If You Have Idle Money and Shrewd Sense
There are two or three things in my knowledge at present well worth your hearing about. I don't want you to put up a dollar until you know ALL about the proposition. Suppose you just write?
BENJAMIN BURLAND, Financial Agent, 303 Board of Trade Building, Montreal

ALFRED B. WILLIS
Mining Engineer
23 TORONTO STREET, TORONTO

BONDS and DEBENTURES
BOUGHT and SOLD
G. A. STIMSON & CO.,
16 KING STREET WEST, - TORONTO, CANADA

THE CROWN BANK OF CANADA
Capital Authorized, - - $2,000,000
Head Office, TORONTO
Interest paid 4 times a year.

THE FINANCIAL POST
OF CANADA

A weekly newspaper aiming to present to the public in a popular manner accurate information relating to the financial interests and legitimate investments of Twentieth Century Canada.

No paid advertising will be inserted in the reading columns unless marked "Advertisement" excepting in the case of Official reports of annual or other meetings of corporations

The acceptance and insertion of an advertisement shall in no way be taken as an indication of the approval of the editoral department; the latter shall be free to comment or criticize, if necessary, as their study of the situation demands.

Advertising Rates
Single insertion........................ $ 1.50 per inch
Yearly " .... 40.00 " "
100 inches used as desired within a year, $100.00
Reading notices or financial statements, 10 cents per agate line

Subscription Price
$3.00 per annum to any address in Canada and the United States.
12s. 6d. to any address in Great Britain or Europe.
Single copies 10c. each.

Published by the
FINANCIAL POST COMPANY,
Publication Office: 10 Front St. East, Toronto.
Montreal, 2 McGill St. Winnipeg, 511 Union Bank Bldg. London, Eng., 88 Fleet St., E.C
President, - - John Bayne MacLean
Managing Editor, - - - Stewart Houston

Toronto, Jan. 4, 1908.

FIFTY MILLIONS IN 1908.

A factor which differentiates Canada from the United States is the railway development that must continue and the ability of our large railroad companies to secure funds abroad. The Canadian Pacific Railway will obtain in the next six months $24,336,000, of which at least eighty per cent. will come from abroad. The Canadian Northern is pursuing a conservative policy as regards extensions but will be able to secure more funds for equipment and improvements during the coming year. The Grand Trunk Pacific secured over $30,000,000 and has still available of this amount some $18,000,000 for further construction work. The Government must secure funds from time to time for its sections of the Transcontinental line and now that wages have had a very material drop, the contractors will be showing more energy. It is not unlikely that fifty million dollars will be spent on railway works during the coming year in Canada. Mr. Charles M. Hays, president of the Grand Trunk Pacific, writes in reply to our request for an outline of the progress of the G.T.P. as follows:

"There is at present under contract, the construction of which is in charge of this company, 994 miles of railway which embraces the prairie section of Winnipeg to Edmonton, and also includes the Lake Superior branch from Fort William northerly to the junction with the Eastern Division. There is also under contract the construction of which is in charge of the commissioners of the National Transcontinental Railway, about 840 miles, or a total of 1,844 miles, the construction work on which is now in progress. During the past season track-laying has also been in progress with the result that the following miles of track has been laid during the year:

Western Division.

	Miles.	
Prairie section—		
From Portage la Prairie westerly beyond Melville, 2nd terminal west of Winnipeg	251.25	
From Saskatchewan easterly	51.63	
		302.88

Eastern Division.

Lake Superior branch	80.50	
Main line from Winnipeg easterly	40.00	
Main line from Quebec westerly	50.00	
		170.50
Total		473.38

The grading is also about completed for the remainder of the distance between Winnipeg and Edmonton, on which track-laying will be continued with the opening of next season's work, so that it is expected that the line will be completed between Winnipeg and Edmonton by the autumn of 1908."

GOVERNMENT TELEPHONES IN MANITOBA.

The Manitoba Government is embarking upon a risky undertaking in undertaking to maintain and operate a telephone line. It has shown a spirit of wisdom and equitableness in purchasing the plant and business of the Bell Telephone Company for a sum which appears to be tolerably reasonable. The vote on Government telephones was taken at a time when the West was feeling the fruits of prosperity and when the spirit of speculation had not received its recent damper. The vote was not overwhelming in favor of the proposal, being 13,688 for and 7,942 against. There appears to have been no reason to complain of the existing charges of the Bell Company. Our Winnipeg correspondent writes: "The fact is the telephone service in Winnipeg is very good and cheaper than it is in England or the United States." Doubtless the true reason was a desire to obtain the favor of the farmers by promising a telephone in every farm house at a nominal cost. In England the Government telephones will undoubtedly, like the Government telegraphs, show a large deficit.

Government ownership will be on trial in the operation of the Manitoba telephone system. The experiment is likely to cost the people dear, and the taxpayer in some form or another will be called upon to pay for the experience.

THE STRAIN ON CAPITAL.

The outlook in Canada does not call for pessimism in spite of the scarcity of funds, a mitigated trade reaction and the severe shocks that have been felt in the financial community all over the world. It is not easy to eliminate the salient fact that probably $50,000,000 will be expended in railway construction during the coming twelve months. Ninety-five per cent. of these funds have already been secured abroad or will come by way of London. The question that confronts Canada is one of capital. The distribution of this fifty million dollar fund will not necessarily mean any plenitude of funds here. Bankers agree that from the local viewpoint easy money cannot be expected for many months. Then there is the problem of moving the crop, which, if the same untoward conditions of 1907 are not repeated, is already in a position for a larger harvest in 1908 owing to a twenty per cent. increase in the ploughed area in the Northwest.

A successful issue from the present situation depends largely on our 1908 crop. If it is large the strain of capital required for its movement confronts the banks. The suggestion has been made by a clever financier that given a large crop some concerted action must be taken by the banks. Heretofore the burden has fallen on the banks engaged in the grain trade. Under normal conditions the grain business is profitable. The difficulty lies in the fact that it may assume such proportions that the banks immediately concerned will be unequal to the task.

The banking situation in Canada has assumed an extremely interesting condition. The country as regards facilities is already more than amply provided. The condition cannot be relieved by the establishment of more new banks owing to the great wastage involved in building up a new business. So conservative and sound a banker as Mr. H. C. McLeod, general manager of the Bank of Nova Scotia, has suggested the plan of the Government allowing banks to issue circulation against their gold and specie. The home banks have already by frequent increases of capital garnered up all the funds in Canada that seem available for the time being. The double liability clause is somewhat deterrent of capital abroad, although there have been distinguished instances where banks have secured a large access of new capital from elsewhere than in Canada.

The situation is such that it might well prompt the practical consideration of the Canadian Bankers' Association.

SECURITY REVIEW.

(Continued from page 1.)

increase for the five months $32,500. In December there should be a net increase of $150,000, in January, $1,000,000, in February $700,000. These figures are worth bearing in mind when one contemplates the future action of the shares. The traffic will not show appreciable diminution in subsequent months even if the tide of immigration desists.

The new stock is payable in five instalments beginning February 19th and spread over every two months.

Dominion Iron and Steel Company.

The results of the company's business for 1907 has a bearing on the basic situation. The Canadian steel situation differs very greatly from that in the United States. The outlook for 1908 is cheering. The company has already sufficient orders booked ahead to keep the plant busy for months. Mr. J. H. Plummer, the president, is our authority for the statement that the rail business shows no signs of diminution and the slackening up in other departments is not serious. The production was as follows for the year 1907:

	Tons
Iron ore mined	593,000
Limestone quarried	352,600
Coke produced	409,000
Pig iron produced	256,500
Steel ingots produced	270,600
Blooms produced	237,500
Billets produced	71,000
Rails produced	129,000
Rods produced	64,500
Sulphate ammonia	1,550
Tar	*4,378,000
Granulated slag	17,000

* Gallons.

Nova Scotia Steel & Coal Company.

The output of coal for 1907 will be approximately 650,000 tons. The new pit opened at Point Aconi in June contributes very slightly. Now that the spur line is built to this mine and the No. 2 colliery abandoned in 1904 is being pumped out, the output for 1908 should make large increases. The Steel plant made large increases over last year, pig iron being 59,000 tons, or 10,000 more than in 1906, steel production 71,000 tons, or 20,000 more than a year ago, while the coke output was largely in excess of last year.

NEW YORK STOCK EXCHANGE.

The following table gives the total transactions on the exchange for the past eight years:

	Stocks	Bonds
1907	198,024,342	$525,436,000
1906	288,424,234	670,817,333
1905	263,040,993	1,018,590,420
1904	186,529,384	1,030,810,560
1903	160,748,368	684,200,850
1902	188,321,181	891,305,150
1901	265,577,354	999,404,920
1900	138,312,966	578,359,230

The year as respects prices does not appear as satisfactory as last year. The year is closing with the average of twenty railroads about 40 points below the average a year ago.

The average price of the twelve industrials is about 35 points below that of a year ago.

MONTREAL AND TORONTO BONDS.

Montreal city bonds are fairly popular in London and find possibly a better market than Toronto issues, the quotations for the bonds of the two cities being as follows:

Montreal.

3½ p.c. 40-year bonds, 1933	91—93
3 p.c. perm. deb. stock	78-80
4 p.c. ster. consd. deb. stk., 1932	101—103
3½ p.c. ster. cons. deb. stk., 1942	90—92

Toronto.

5 p.c. G. cons. debentures, 1919-20	107—109
4 p.c. sterling bds., 1922-8	100—102
4 p.c. local imp. bonds, 1907-13	99—101
3½ p.c. bonds, 1929	90—92

SELF HELP SERIES

This is a department which we hope will be found inspiring and interesting to young men and women. There will be thousands of them in the employment of subscribers to the Post. The attention of the employers might also be directed to these articles.

SIGNPOSTS ON THE BUSINESS HIGHWAY.

XLIX.

Since it is generally understood throughout the business world that a man who never does any than he is paid for, never is paid for any more than he does, it follows that the way in which most men can increase their value as employes, or as employers for that matter, is by conceiving and developing new ideas of value in their particular line. It should be remembered that this applies to every employe and to every employer, no matter what his trade, or his profession may be.

What should you think of a shoe-operator who stood all day long at his machine developing in his mind a way to change this or that part of the mechanism in such a manner as to increase the speed, improve the product, or lighten the labor and having perfected, so far as he was able, such improvement in his own mind, should then proceed to purposely forget his new idea and fail utterly to make the slightest use of it, says the Business Man's Magazine. If all men did this there would be very little chance for such concerns as the United Shoe Machinery Co., or the General Electric Co., or any one of a thousand others which are founded upon new ideas and which continue to grow upon the diet.

The same argument applies to the clerk, the book-keeper, the salesman, the manager or the president. Each in his department is constantly thinking of little matters which could be improved and altogether too frequently he lets his new idea drop out of his mind again because he is afraid, forsooth, that it is too small to bother with forgetting that no matter how big his department may be as a whole, it is made up of a collection of just such small ideas. Thousands of salesmen are sitting in hotel offices and in business offices waiting appointments and in that leisure time are thinking of improvements in their lines, which thoughts will be forgotten as soon as their wait is over and the new ideas will never reach the men that might make use of them to the advantage of themselves as well as of the thinkers.

Of course, the old worn-out argument will immediately be dragged out of its dust-covered pigeon hole and we shall have the man at the helm shouting, "I haven't got time to listen to all the freak notions that these fellows think up when they are loafing around with nothing to keep their minds on their customers, or on their work, or what not." It must be admitted that there are cranks, there are men who could keep you or me busy all day long arguing them out of notions that would cause them to be locked up in asylums if they ever expressed such notions in the hearing of a committing judge. But, and there is the biggest point in all, it is the duty of every employe and of every employer to bring forward, for discussion and for rejection possibly, but for acceptance perhaps, any new ideas which may occur to him. It should be borne in mind that the most revolutionary idea that was ever suggested had a value, and a big value at that, in the negative sense of pointing out the right way, in, perhaps, a diametrically opposite direction. The fact that an idea appears revolutionary at first sight does not prove that it is valueless. Remember that the man who presents the new ideas may have spent a lot more time on its development and on the proper method of using it than has the man who first hears of it from the originator. His mind is unprepared, is, perhaps, fitted into a groove, from which his mental eyesight finds difficulty in looking clearly over the rut into the open field suggested by the other's new idea.

Don't reject new ideas because you are not used to them, because, in a word, you do not know a blessed thing about the opportunities they present. Let them soak into your intellect until you have time to consider them in the proper spirit and then it will be time enough to reject, or perhaps accept them.

Remember this, that new ideas, however freakish, are the signposts on the business road.

IN THE USUAL MANNER.

"The directors declared the regular dividend in the usual manner" would appear to be the proper statement of most company meetings in the United States. The dividend in stock instead of in cash has added new intricacies to the financial mesh. Thus Missouri Pacific pays it half-yearly 2½ per cent. in stock. At the prevailing price of Missouri, around 46, the dividend is worth $1.15 per share instead of $2.50. The capital stock of M.P. is $77,817,875, so that the additional stock is $1,945,446, which amount increases the outstanding common capital to $79 763,321.

TRANSACTIONS MONTREAL STOCK EXCHANGE.

	Shares.	Mining Shares Par $1 or less.	Rights	Bonds.
1903	1,196,291	193,875	3,695	$3,048,300
1904	683,782	60,200	49,753	5,249,000
1905	1,011,906	34,816	29,231	5,689.528
1906	1,198,492	63,700	12,324	6,285,524 £1,200
1907	685,555	1,500	12,808	3,956,236

TRANSACTIONS TORONTO STOCK EXCHANGE.

	Shares.	Mining Shares Par $1 or less.	Rights	Bonds.
1903	981,605	97,150	4,987	$1,050,600
1904	536,208	24,650	14,939	1,165,900
1905	657,940	95,876	12,617	1,347,400
1906	586,842	125,150	30,024	3,214,400
1907	410,522	12,800	13,126	2,937.200

New York Stock Exchange.

Range of Prices for Week Ending Jan. 3rd.

—	Closing Dec. 27	Open Dec. 28	High.	Low.	Last.
Amalg. Copper Co.	47⅜	47½	49	45⅞	48⅜
Am. Car & Foundry	30½	30¾	32	30	31½
Am. Locomotive Co.	35	35¼	37¼	34	36⅝
Am. Smelt. & Ref.	70⅛	70¾	73⅜	69½	72¾
Am. Sugar Ref. Co.	100¼	100½	108¼	98¾	107
Am. Tobacco Co., pfd.	70	72	75¼	72	75¼
Am. Woolen Co.	15⅞	16	17¾	15¾	17¾
Anaconda Cop. Min.	29⅝	29½	30¼	28⅛	29⅝
At., Top. & S.F.	70½	71¼	71⅞	68¼	70
Atlantic Coast Line	68	69¼	69½	68	68¾
Baltimore & Ohio	81½	82½	82⅞	81	82⅞
Brooklyn Rapid Transit	39⅜	39½	41½	38	41
Canadian Pacific	150½	151	158½	151	158¼
Chesapeake & Ohio	30½	30½	30¾	30	30½
Chicago Great Western	7¾	7⅞	8⅜	7¾	8
Chi., Mil. & St. Paul	104½	105	107	103½	105⅞
C., C. C. & St. Louis	54	55	56½	55	56½
Chi. & Northwestern	135	135	139⅜	135	139
Colorado Fuel & Iron	18¾	19¾	20	19	19¼
Colorado & Southern	19¾	21	25	21	24⅞
Consolidated Gas	95	95¾	98	95¾	97½
Delaware & Hudson.	145⅝	146	154	145½	153
Den. & Rio Grande	20⅜	20¾	21⅛	20½	21
Dul., S.S. & At.	....	....	....	....	....
Erie	16¼	16½	17⅛	16⅜	17
Erie. 2nd pf	24¼	25½	28½	28½	28½
General Electric	112	112¼	115	111	115
Great Northern, pf.	116⅛	116¾	118¾	115¼	118
Illinois Central	122	122	126	122	126
Interb.-Metropolitan	7⅛	7⅜	7¾	7	7
International Paper Co.	8¼	8½	9	8½	9
Louisville & Nashville	92	93	94	90¾	94
Mackay Companies	52½	52¼	55	52¼	55
Mackay Companies, pf.	....	61	61	59	61
Mexican Central, pf.	14½	14⅜	15¼	14⅜	15¼
Minn. & St. Louis	24	23½	24½	23½	24½
M., St. P. & S.S.M.	80	80½	82½	79¼	81
M., St. P. & S.S.M., pf.	117	120	120	120	120
Mo., Kan. & Texas	25	25½	26	24½	25½
Missouri Pacific	46¾	47½	48	44	45¾
New York Central	91	91½	93½	90⅛	92⅞
N.Y., Ont. & Western	32¾	33	33¼	32½	33¼
Norfolk & Western	62½	64	65	63½	65
Northern Pacific	118¼	119½	121¼	116⅞	120⅜
Pennsylvania R.R.	110¾	110⅞	111⅞	108	111⅛
People's Gas, Chi.	79¼	79⅞	80¾	79½	80¾
Pullman Company	144	....	147½	147	147
Railway Steel Spring	26	26⅝	26⅞	26⅛	27⅛
Reading	94¼	94⅞	99½	93½	99
Rep. Iron & Steel	15¾	16¼	16½	16¼	16⅝
Rock Island Co.	15¼	15¼	15½	15⅛	15½
Rock Island, pf.	28	28½	29	28	29
St. Louis Southwestern	....	....	....	....	....
Sloss-Shef. Steel & Iron	35	36½	37½	36	37½
Southern Pacific	73¾	74⅛	75½	70¾	72⅞
Southern Railway	13	13½	13½	12¼	13¼
Texas & Pacific	19½	19¾	20	19¼	19¾
Union Pacific	118¼	119	120½	116¼	119¾
U. S. Rubber	20⅛	21	21	20	20⅞
U. S. Steel	26⅜	26¾	27⅜	25¾	26¾
U. S. Steel, pf.	87¾	88	89¾	87¼	89¼
Wabash	10⅜	10	10⅞	9½	10¼
Western Union Tel.	55	55¾	56	54	55
Wisconsin Central, pf.	34	35	35	35	35

Railroad and Street Railway Earnings

Gross Earnings

—	Week ending	1907.	1906.	Changes.		From date mentioned to the last week for which earnings have been reported. Date.	1907.	1906.	Changes.	
Canadian Northern	Dec. 31									
Canadian Pacific	Dec. 31									
Duluth, S.S. & Atlantic	Dec. 14	49,521 00	51,259 00	–	1,738 00	July 1	1,651,392 00	1,537,843 00	+	113,549 00
Grand Trunk System	Dec. 21	835,528 00	879,982 00	–	44,454 00	July 1	21,972,139 00	20,640,552 00	+	1,331,587 00
Grand Trunk System	Dec. 31	1,173,885 00	1,230,148 00	–	56,263 00	July 1	23,146,024 00	21,870,700 00	+	1,275,324 00
Minn., St. P. & S.S.M. (Soo)	Dec. 21	206,951 00	199,062 00	+	7,889 00	July 1	6,356,729 00	6,527,091 00	–	170,362 00
Mineral Range	Dec. 21									
Detroit United	Dec. 21	111,533 00	115,554 00	–	4,021 00	Jan. 1	6,493,557 00	5,876,634 00	+	616,923 00
Detroit, Jackson & Chicago	Dec. 21	5,994 00				Feb.	376,495 00			
Halifax Electric Tram.	Dec. 21	3,278 91	3,157 44	+	121 47					
Havana Electric	Dec. 29	36,191 00	30,290 00	+	5,901 00	Jan. 1	1,763,011 00	1,538,467 00	+	227,544 00
Montreal St. Ry.	Dec. 31									
Toledo Railways System	Dec. 31									
Toronto Railway Company	Dec. 31									
Twin City	Dec. 31									

Net Earnings

—	NOVEMBER 1907	1906	Changes		Eleven months. 1907	1906	Changes	
Canadian Pacific Railway Co.								
Gross earnings	6,953,967 56	6,234,583 28	+	719,384 28	34,466,919 69	31,472,376 00	+	2,994,543 69
Working expenses	4,508,933 35	3,971,460 34	+	537,473 01	22,113,086 68	19,152,094 64	+	2,960,983 04
Net	2,445,034 21	2,263,122 94	+	181,911 27	12,353,833 01	12,320,272 36	+	33,560 65
Detroit United System.								
Gross	524,802 00	479,717 00	+	45,085 00	6,166,479 00	5,550,087 00	+	616,392 00
Operating expenses and taxes	340,527 00	334,361 00	+	6,166 00	3,836,748 00	3,395,993 00	+	440,955 00
Net	184,275 00	145,356 00	+	38,919 00	2,329,731 00	2,154,094 00	+	175,637 00
Other income	4,393 00	4,338 00	+	55	49,117 00	40,875 00	+	8,222 00
Total income	188,668 00	149,694 00	+	38,974 00	2,378,848 00	2,194,989 00	+	183,859 00
Charges	118,668 00	105,862 00	+	12,172 00	1,263,830 00	1,136,296 00	+	127,534 00
Surplus	70,634 00	43,832 00	+	26,852 00	1,115,018 00	1,008,693 00	+	56,325 00
Cuba Railroad.					Five months			
Gross	142,034 00	120,179 00	+	21,855 00	719,608 00	642,036 00	+	77,571 00
Expenses	101,289 00	94,767 00	+	6,522 00	519,281 00	521,427 00	+	2,146 00
Net	40,745 00	25,412 00	+	15,333 00	200,327 00	120,609 00	+	79,717 00
Charges	28,329 00	25,976 00	+	2,353 00	141,646 00	127,626 00	+	14,020 00
Surplus	12,416 00		+	12,980 00	58,681 00		+	65.698 00
Deficit		564 00				7,017 00		
Detroit, Jackson and Chicago.					Ten months			
Gross	36,498 00				358,625 00			
Operating expenses and taxes	29,731 00				288,688 00			
Net	6,767 00				69,937 00			
Other income	141 00				1,483 00			
Total income	6,908 00				71,420 00			
Charges	16,575 00				156,375 00			
Deficit	9,667 00				84,955 00			

IMPERIAL BANK
of Canada

ESTABLISHED 1875

HEAD OFFICE, - - TORONTO

Capital Authorized - $10,000,000.00
Capital Paid-up - $4,875,000.00
Rest - - - - - $4,875,000.00

A GENERAL BANKING BUSINESS TRANSACTED.

Savings Department at all Branches. Interest allowed on deposits from date of deposit and credited quarterly.

TRAVELLERS' LETTERS OF CREDIT issued payable in all parts of the world.

1854 THE 1854
HOME BANK OF CANADA

One Dollar starts a savings account. A metal coin and bill Home Savings Bank or a neat Vest Pocket Savings Bank for coins, loaned free of charge to depositors who desire them.

FULL COMPOUND INTEREST

Branches open 7 to 9 o'clock every Saturday Night.

78 Church Street, Queen Street West, Cor. Bathurst,
Bloor Street West, Cor. Bathurst,
Head Office: 8 King Street West, Toronto

BRANCHES
Alliston, Belle River, Oannington, Lawrence Station, Melbourne, St. Thomas, Walkerville, Fernie, B.C., Winnipeg, Man

JAMES MASON, General Manager

INTEREST

EVERY dollar you deposit with this Corporation will earn interest for you at THREE AND ONE-HALF PER CENT. per annum, compounded four times each year; the highest rate consistent with the safety of the investment.

Combined with this is the advantage that your money is always available when you want it. Observe the protection afforded you:

Paid-up Capital........ $6,000,000.00
Reserve Fund........ $2,450,000.00
Investments........ $26,206,337.54

You will see that about EIGHT AND ONE-HALF MILLION DOLLARS of Shareholders' money stand between the Depositor and any possibility of loss.

CANADA PERMANENT MORTGAGE CORPORATION. Toronto Street, Toronto

THE STANDARD LOAN COMPANY,

Head Office: 24 ADELAIDE STREET EAST,
TORONTO

Capital - - - - $1,125,000
Reserve - - - - 50,000
Assets - - - - 2,250,000

President: Alexander Sutherland.
Vice-Pres. and Man. Director: W. S. Dinnick.
Director: Right Honourable Lord Strathcona and Mount Royal, K.C.M.G.

Debentures for one, two, three, four and five years issued, bearing interest at five per cent. per annum, payable half yearly.

Write for booklet entitled "SOME CARDINAL POINTS."

WILLIAM C. BRENT,
Municipal and School Debentures
To Yield from 4½% to 7%.
CORRESPONDENCE INVITED.
CANADA LIFE BLDG. - - TORONTO

D. M. STEWART & CO.,
151 St. James Street, Montreal
LISTED AND UNLISTED SECURITIES
Orders executed on the American and Canadian Stock Exchanges.

EDWARD CRONYN & CO.
MEMBERS TORONTO STOCK EXCHANGE
STOCKS AND BONDS DEALT IN ON ANY EXCHANGE
15 LAWLOR BUILDING, Cor King and Yonge Streets TORONTO
TELEPHONE M. 1111

As To Your Will

A private Executor cannot find investments for trust funds. Our system ensures sufficient first mortgage and other trustee securities to keep estates money constantly earning full revenue for beneficiaries.

NATIONAL TRUST CO., LIMITED
18-22 KING STREET EAST

Business correspondence is a matter of moment to the business man. It is safe to say that if he gave more attention himself, it would receive more attention from those to whom it is addressed. Good letter writing, someone has said, is quite as important as good bookkeeping. We all know how a business letter, not merely by its phraseology, but its whole get-up and ensemble, affects our feelings about the firm concerned. The letter inspires confidence or it fails to do so just by reason of its character and contents. "A good letter describing a bad product is better than a bad letter describing a good product," is the dictum of an authority on this subject.

The Banks in 1907

A REVIEW OF THE YEAR'S SALIENT FEATURES.

A Considerable Increase in Profits—Quick Assets Reduced—Loans Larger and Deposits Less—Realizing on Call Loans Abroad Have Helped the Situation—The Future Outlook.

In reviewing the banking situation for 1907 one of the chief points to be considered is that relating to the profits. How do they compare with the results of last year. There are still a number of banks ending their fiscal years 31st May, but most have changed over to the fall. Reports for fiscal years ending as early as May and June cover business largely done in the previous calendar year. But the results published since September represent more nearly 1907 business. So far, since September, the following banks have reported:

Profits for Fiscal Year.

	1907	1906
Montreal	$1,980,138	$1,797,977
Commerce	1,752,350	1,741,126
Merchants (a)	473,144	(b) 370,200
Imperial (a)	389,028	(b) 292,246
Toronto	586,635	544,295
Molsons	544,039	434,668
Hochelaga	449,794	347,504
Ottawa	443,288	425,239
Hamilton	384,708	371,251
Eastern T'ps	372,670	279,610
	$7,375,794	$6,604,116

(a) For half year.

(b) In the cases of the Merchants and Imperial the figures given as 1906 profits were arrived at by taking proportionate amounts of the totals shown for that year, so as to compare with the half year's results shown in 1907.

The gain in total profits shown by these 10 banks amounts to $771,678, or over 11 p.c. better than last year. The results can probably be taken as indicative in a general way of the ten or a dozen reports that are to come out shortly after 31st December, of the institutions ending their fiscal years on that date.

It is well known that a variety of causes combined to produce the gains in earnings. All through the year discount rates have been very firm, the demand for the banks' stock-in-trade, credit, keen and insistent. Also the very high rates prevailing for call loans in New York made it possible for the banks using that market to make good profits out of the employment of reserve money. And the events of October and November showed, too, that the New York reserves were available, even in so great a crisis as that just experienced.

The next thing to be considered is the position of the banks. How do they compare in strength with the position shown at the end of 1908 ? That is revealed by the following table:

Summary of quick assets	30th Nov. 1907	31st Dec. 1906
Specie & legals	$76,837,549	$68,018,904
Notes & cheques	30,029,543	38,937,901
Bals. due by Canad'n banks	9,681,914	9,832,685
Bals. due by U. K. banks	6,722,457	7,844,990
Bals. due by banks elsewhere	16,537,863	15,512,627
Securities	70,579,616	72,368,600
Call loans Canada	45,733,765	57,511,747
Call loans elsewhere	41,198,293	58,958,156
	$297,321,000	$328,985,610
Total liabilities	$756,055,551	$782,656,528
Per centage of quick assets to liabilities	39.3	42.0

To complete this picture, the following comparison is made of the principal items of the liabilities and of the loans and discounts:

	30th Nov. 1907	31st Dec. 1906
Deposits of the public demand	$160,529,719	$192,143,482
Deposits of the public notice	408,902,274	398,765,182
Deposits elsewhere	54,818,589	64,191,182
Note circulation	84,452,899	78,416,780
Total	$708,703,481	$733,516,626
Current loans, Canada	$570,896,776	$548,684,480
Current loans, elsewhere	23,576,315	36,474,231

These figures give an eloquent description of the most trying year the Canadian banks have recently experienced. The fall of over $30,000,000 in demand deposits or current accounts is witness in especial to the severity of the stringency. It means that business men have utilized their working balances practically down to the last cent in trade and in making investments.

The small increase in notice deposits or savings of the people—a paltry $10,000,000 as compared with $42,000,000 in 1906, $37,000,000 in 1905, and $40,000,000 in 1904—is also probably due to investment of savings in more permanent forms of investment.

The year has been remarkable for the bringing home by the banks of a large amount of their foreign investments.

	30th Nov. 1907	31st Dec. 1906
Call and current loans elsewhere	$64,774,608	$95,432,387
Net foreign bank bals.	10,462,796	13,433,636
	$75,237,404	$108,866,023
Less foreign deposits	54,818,589	64,191,182
Net foreign investment	$20,418,815	$44,674,841

It is from this source that the banks have found the means of increasing their mercantile loans in Canada. The outside investments have amply justified their existence. Had all this money been put out beforehand in Canadian loans, when the year of crisis—1907—came, Canada would not have been able to make anything like so proud a showing as she did.

As for the outlook, bank stockholders have already been warned not to expect an indefinite continuation of the yearly increases in profits. It should be understood that a combination of special circumstances has been helping out the bank reports. Not only have the banks been able to find employment for their funds, commonly put into current loans and discounts at very good rates, but they have also been getting quite extraordinary rates on their available reserves. It is very probable, in the event of things slowing down in the Dominion, that some diminution in the earnings from home discounts will be seen. And it is almost a certainty that the returns from call loans outside and inside of Canada will be somewhat less. Perhaps, too, there may be an increase in the losses from bad debts if the process of weeding out unsound concerns takes place, as it is likely to take place during a period of slowing down and of taking account of position. However, the institutions that are managed as good banks should be managed, will have had these circumstances in mind. And provision will have been made in the day of great prosperity for possible losses and depreciations. And one of the first inevitable results of a slow-down in trade and industry is that available bank reserves are strengthened. If a recession occurs, and if it follows the same course as previous recessions, the banks may, before another year passes, find themselves stronger than they wish to be in quick assets.

H. M. P. Eckardt.

CANADA'S ROYAL MINT

The Causes That Led to Its Establishment.

Ottawa, Dec. 30.—It was the wonderful gold discoveries of the Yukon in 1887, which spurred the people of the Dominion to secure the establishment of a Canadian branch of the royal mint. Mr. Mara, then member for Yale, B.C., some three years before had advocated the policy of Canada minting her own coins, but he was ahead of the times. Mr. Foster, Minister of Finance, replying to the British Columbia member, said until Canada grew and population increased, and the esteem of Canadians for the yellow metal as a circulatory medium increased, the country would have to content itself, for some time at least, with the present economical system of coining. Mr. Foster added, however, that he hoped to see the time when Canada would have her own gold and silver coinage. The gold output of Canada at that time approximated about $1,000,000 annually. It was when gold dust and nuggets, to the value of millions of dollars, were being poured down from the far north that public sentiment in this country, especially in British Columbia, took a sudden veer. There was not a single assay office in the country, and to the chagrin of British Columbians, the great shipment of gold and other precious metals from the Yukon were carried past the cities of Victoria and Vancouver to the rival city of Seattle. Canadian pride was touched, and there came a demand not only for a public assay office, which was promptly met, but also for a mint. The Dominion authorities promised to communicate with the Imperial Government on the subject, and on the 23rd of May, 1901, the royal assent was given to a bill passed by the Dominion Parliament providing for the establishment of the "Ottawa branch of the Royal Mint." The selection of Ottawa as the location of the new mint was a disappointment to the British Columbians, as one of the watchwords on the Pacific coast in the election of 1900 was "Maxwell and the Mint." It was but natural, however, that the new coining establishment for the Dominion should be placed at the national capital. All the Dominion circulation is sent out from here under the supervision of the Department of Finance, and it would have been an unwise move to have had the mint nearly 3,000 miles away from the distributing authority.

It is understood that the gold coinage to be produced will be of the value of $2.50, $5, $10, and probably $20. The present silver coinage of 5, 10, 25 and 50 cents will not be changed. The 20-cent piece is rapidly being retired into the limbo of the past, and it is hoped that soon there will be none of these troublesome coins in circulation. The bronze cent will also be minted, but it is possible that later on a coin will be substituted made of Canadian nickel. This, however, is a feature of the work of the new establishment which has not yet been determined.

A question which may naturally arise in connection with the coining of gold in Ottawa is as to the supply of precious metal which will be forthcoming. On this score there will be no difficulty. In the past nine years the Yukon has produced gold to the value of $117,330,000, and the rest of Canada $54,122,000, an annual average of $19,000,000, a marvellous development since the day when the establishment of a mint was first suggested by Mr. Mara. True, the gold production of the Yukon has fallen off since 1900, when it reached the splendid total of $22,275,000, but there has been a steady annual increase in the other provinces, and Canada will not have to go abroad for the precious metal.

The production of gold in Canada, by years, since the first rush to the Yukon is as follows:

	Yukon.	Rest of Canada.
1898	$10,000,000	$3,700,000
1899	16,000,000	5,049,000
1900	22,275,000	4,441,000
1901	18,000,000	6,462,000
1902	14,500,000	6,241,000
1903	12,250,000	6,581,000
1904	10,337,000	6,063,000
1905	8,327,000	6,159,000
1906	5,600,000	6,423,000

CONDITION OF U. S. BANKS

THE GOVERNMENT RETURN IS A MIXED UP MATTER.

Owing to the Adjustment Between Reserve and Non-reserve Cities—The Reports Are Made on the Occasional Call of the Comptroller—They Are Not An Open Book—No Line of Comparison With Canada Possible—The Unreality of the Cash Reserves—The Condition of N.Y. State Banks in December.

The banks in the United States do not make monthly reports, as is the custom in Canada. The banks are subject to calls for reports on their condition at the discretion of the Comptroller of Currency in the case of national banks, and at the instance of the state banking departments in the case of state banks. Consequently any survey of the banking conditions in the United States must necessarily be incomplete, compared with the "open book" of the Canadian banks which is disclosed every month. While apparently the reserve law in the United States which compels national banks in reserve cities to maintain 25 per cent. of legal reserves against deposits and in non-reserve cities fifteen per cent. furnishes a great security, it is not observed to the letter and the fact that country banks may maintain deposits with banks in reserve cities, commingles the situation so completely that the actual cash reserve is not easily exposed. One leading Canadian banking authority, who has had considerable experience in the U. S., ventures the opinion that on occasions the actual cash reserve of the American banks is not 25, or 15 per cent., but more like 6 per cent.

Any line of comparison between the government reports of the U. S. banks and Canadian institutions is well nigh impossible. Possibly some student of finance conversant with the underlying items of the bank statements in both countries might make a dissection, but after consultation with those best qualified to speak on the subject, The Financial Post considers such a comparison would be of little avail. We present, however, the summary of the condition of U. S. national banks at the time of the last three calls for reports.

It may be explained in regard to the clearing house certificates that the liability of national banks for the excess of certificates issued to them over those held by them was $74,461,026. At that date the liability of state banks on the same score was about $3[illegible] ing over $100,000,000 in the aggregate, which represents the currency deficiency in the U. S.

The call upon the state banks of New York as of date December 19, received responses by December 25 from twenty-one trust companies and twenty-nine state banks doing business in Greater New York. These latter showed aggregate deposits of $225,000,000 and the net amount of withdrawals since Aug. 22 was only $3,056,117. Eighteen banks showed total withdrawals of $13,925,761 and eleven showed a gain of $10,869,644.

The trust companies exhibited a falling off of deposits between August 22 and December 19 from $278,056,300 to $190,256,500, or nearly $78,000,000. The Trust Company of America which paid out during the run some $50,000,000, shows a cash reserve of $3,354,223, or 16.17 per cent., which is above the clearing house requirement of 15 per cent. Its reserve last August was $11,000,000, or 17.52 per cent. of the deposits. The total amount of deposits now on the company's books is $20,193,402, as compared with $63,000,000 in August.

RESOURCES.

	Dec. 3, '07	Aug. 22, '07	Nov. 12, '06
Loans and discounts	$4,585,337	$4,678,583	$4,366,045
Overdrafts	37,544	30,443	53,735
U. S. Bonds to secure circulation	619,329	557,277	544,202
U. S. bonds to secure U. S. deposits	72,369	95,628	89,274
Other bonds to secure U. S. deposits	185,479	68,198	58,116
U. S. bonds on hand	5,212	7,390	6,738
Premium on U. S. bonds	15,846	14,554	13,604
Bonds, securities, etc	705,019	700,352	665,960
Bank premises, etc	168,783	160,845	146,795
Other real estate	18,786	20,241	19,881
Clearing House certificates balance	64,344	....	....
Due from national banks	296,358	334,571	386,654
Due from state banks and bankers	104,958	123,020	147,750
Due from approved reserve agents	523,828	614,496	605,237
Cheques and other cash items	36,305	26,905	37,517
Exchange for clearing house	234,169	190,602	376,672
Bills of other national banks	40,698	31,240	28,814
Fractional paper currency	2,400	2,314	1,994
Specie	509,685	531,107	482,276
Legal tenders	151,099	170,515	152,273
Five per cent. redemption fund	28,489	27,305	26,546
Due from U. S. treasury	1,940	4,731	3,788
Total	$8,407,988	$8,390,328	$8,213,878

LIABILITIES

	Dec. 3, '07	Aug. 22, '07	Nov. 12, '06
Capital stock paid in	$ 901,681	$ 896,451	$ 847,514
Surplus fund	549,614	548,303	504,548
Undivided profits	200,558	186,554	183,124
National bank notes outstanding	601,805	551,949	536,109
State bank notes outstanding	30	30	30
Due to other national banks	708,919	823,680	839,065
Due to state banks and bankers	318,969	395,745	379,757
Due to trust companies and savings banks	323,221	337,927	337,113
Due to approved reserve agents	36,675	38,139	44,006
Dividends unpaid	1,155	1,083	1,376
Individual deposits	4,176,873	4,319,035	4,289,773
U. S. deposits	223,147	143,282	129,123
Deposits of U. S. officers	11,612	17,755	11,208
Bonds borrowed	166,073	59,994	57,336
Notes and bills rediscounted	20,309	14,415	9,388
Bills payable	80,645	44,760	35,144
Reserved for taxes	4,957	4,358	3,910
Liabilities other than above	7,205	6,859	5,272
Clearing house ctfs., net balance	74,451	....	....
Total	$8,407,988	$8,390,328	$8,213,878
Per cent. of legal reserves to deposits	21.31	21.33	20.80
Per cent. to deposits of cash on hand	....	....	....
Redemption fund and due from reserve agents	24.72	25.56	25.48
Number of banks	6,625	6,544	6,199

Canada's Treasury Gold

Since the Minister of Finance interested himself in trying to assist the banks in financing the Western crop, there have been quite a few absurd descriptions of what the Government might do to relieve the situation. Some of those who have been foremost in this have proposed to transfer $10,000,000 or so of treasury gold to the banks. They have admitted that in doing so quite probably the law would have to be violated, but that circumstance did not count for so much in their eyes as did the necessity for relieving a crisis which in reality did not exist.

As a matter of fact, the Government could not have placed anything like so much as $10,000,00 of the cash now in the Ottawa Treasury, at the disposal of the banks for crop moving or any other purpose. For it to do so would be to break faith with the banks and to violate sound business and moral principles, as well as an Act of Parliament.

The gold held in the Treasury is there for a special purpose—most of it contributed by the banks—and to alienate it from that purpose would be to attack the public interest, to weaken the foundations of the banking position, the strength of which during the break down in the States has justly won the admiration alike of our own citizens and of outsiders.

On the 31st October, there was in the Canadian Treasury, in specie, counting £400,000 of Canada bonds, guaranteed by the Imperial Government as specie, $46,564,410. The Treasury had outstanding on the same date $61,241,544 of its demand notes. The Dominion Note Act provides that there shall be held against these notes 25 per cent. in specie up to $30,000,000; and for all issues in excess of $30,000,000, dollar for dollar in specie shall be held. Thus the reserve required is as follows:

25 per cent. on first $30,000000 ,...	$ 7,500,000
$ for $ on issue in excess of $30,000,000	31,241,544
	$38,741,544

The Treasury's liability to depositors in the Government Savings Banks amounts to $61,426,113. Until a few years ago no cash reserve was held against this liability. But it was then

(Continued on page 8.)

THE FINANCIAL POST
OF CANADA
10 Front Street East, TORONTO

SUBSCRIPTION FORM

Please send me one copy of The Financial Post for one year from date, for which I enclose three dollars.

Name
Address
Date

CANADIAN FINANCE OF THE YEAR

A Review of the Principal Financial and Industrial Conditions by Prof. James Mavor.

The year opened with the Bank of England rate at six per cent., and a certain amount of uneasiness owing to the gold movements of the previous fall, but with stocks still high. The history of the year has been one of anxiety throughout the financial world, with acute panic in the United States. In that country the banking system revealed its inability to deal with the situation and as the year closes, the banks, though apparently generally solvent, are still only gradually resuming payment in currency. The Canadian banks have unquestionably withstood the pressure of the external situation exceedingly well. This is, of course, due largely to the comparatively small extent to which as yet Canada is concerned in external finance, but it is also due to the generally conservative attitude of the banks with regard to enterprises outside of Canada; and to the competence and integrity which, in general, characterizes their management.

The Banking System Effective.

Great importance must also be attached not merely to the Canadian system of banking, which has shown conclusively its high suitability to the special needs of the country; but also to the habit, only occasionally exhibited in the United States of common action by the banks. This latter feature has been conspicuously exhibited in Chicago during the recent crisis with the result that that city has suffered much less than any of the other large cities during the recent crisis. While the Canadian banks have contributed to the feeling of public confidence in Canada which has been the underlying feature of the situation during the past few trying months, there are certain internal conditions which have not made for stability and it seems to be an act of wisdom to explain these with as much lucidity as may be, in order to avoid over-confidence on the one hand and exaggerated doubt and suspicion on the other.

Two Prominent Conditions.

Prominent among these conditions are the following:

1. The effect of the furore of the past two or three years, especially for mining speculation in Ontario and for speculation in both urban and rural land in the Northwest.
2. The effect of a deficient harvest.

Mining and Land Speculation.

In 1896, the outburst of mining speculation in British Columbia dragged the small depositor into the vortex of stock gambling. The result was disastrous, partly because of the elements of mismanagement and fraud which seem inseparable from mining enterprises and partly because both laborer and investor entertained grotesque illusions as to the possible profit from mining conducted in scantily populated and rudimentarily organized districts. The losses to the class of small, and even of large investors, were great enough to affect them for several years. An intermediate purpose for speculation in miscellaneous active stocks upon margins which accompanied the rapid advances of the early months of 1901 met with disaster in May of that year and again in 1903, during the summer, and then in 1905 and 1906 came the Cobalt boom and subsequent collapse. In all these instances the furore was demoralizing and was influential in diverting to the luxurious expenditures of an undesirable class sums which might fruitfully have been employed in productive industry had they been entrusted to responsible financial channels. Of late there has been comparatively little lending upon questionable securities of this class and it may be almost certainly taken for granted that the losses have already been distributed and that no liquidation of moment is now possible under this head.

Northwest Land Speculation.

During the past few years of rapidly increasing population in the Northwest, there has been quite naturally and inevitably a rapid advance in the price of land, both rural and urban. It is a curious circumstance that enthusiasts for the Northwest are never tired of expatiating upon its limitless area, while at the same time, if they are land speculators they ask prices which could only be justified by a pessimistic view of the area susceptible of occupation. It may be regarded as probable that the area which can reasonably be expected to be occupied with a density sufficient to justify high prices is much smaller than the total area and that therefore advance in the price of land cannot be either continuous or uniform. As new districts are opened up, there is usually a stampede of new settlers and thus it is not unnatural to anticipate that prices of land in the older settled districts will stagnate or decline. at all events for a time, as have the prices of agricultural land in Ontario during the periods of rushes to the West. For some years, however, there is no doubt that the financial institutions which directly or indirectly lend money upon the security of farm lands have been exercising increasing caution, so that on this head also there seems no reasonable ground for anxiety.

Character of Immigration.

The increasing immigration both from Europe and from the United States has led to the crowding of some of the towns by immigrants unequipped for immediate settlement on farms. This has given an illusory aspect of importance to the increase of population and has promoted the advance in the price of urban land in certain cases far beyond economic justification. Moreover the character of the immigration even when the immigrants have gone direct to their homesteads, has been to a large extent such that the resulting internal trade has been much smaller than might have been expected from consideration of mere numbers. The foreign immigrants from Galicia, for example, are accustomed to a highly self-contained life and on that account do not make good purchasers. The British immigrants are for the most part provided with slender or no capital and some time must elapse before they can be counted upon as steady and continuous customers. No large body of people can come into a country without bringing with them some means in the aggregate; but when these means have been expended in the initial stages of settlement, there follows inevitably a period during which their surplus earnings are small and their purchases are small in proportion. A continuous stream of immigrants provides a certain amount of trade but if anything occurs to check that stream, or if the class of immigrants does not possess funds, there is inevitably a sharp falling off in local business. While thus, in Manitoba and in certain parts of Alberta and Saskatchewan, a considerable steady trade has developed justifying the existence of important towns, there are other districts where local trade is small and where the growth of towns is not justified by the economic conditions of the surrounding country

Banks Help Development.

Up till about eighteen months ago, the formation of some new banking institutions and the competition for the selection of strategic positions, in which all the banks engaged, more or less, led to the establishment of very numerous branches. These branches were of enormous convenience to the people and the progress of the country has been greatly facilitated by them. The farmers should realize this when they are inclined to complain that the banks do not always meet their views. At the period mentioned the banks evidently considered that the settlement of branches had gone far enough for the time and that the inflation of the prices of land was inducing excessive purchases by weak holders. They gradually withdrew such of their support as contributed to this condition and inevitably prices began to droop. At present some speculators have had their apparent gains wiped out, while others find themselves encumbered with unsalable land. upon which they have periodical payments to make.

No Bad Locking Up of Funds.

The character of the business, however, precludes the possibility of the banks having very considerable sums locked up in unrealizable assets in the form of land, which has fallen into their hands owing to non-payment of loans. So far, therefore, as concerns the conditions resulting from mining and land speculation, there does not appear to be any ground for anxiety, and so far as such matters can be ascertained by inquiry, there seems no doubt that the situation in respect to both of these incidents is well under control.

The Crop Shortage.

The yield of the important crops in the northwest is even yet difficult to state with a reasonable degree of accuracy. There is no doubt, however, that even taking into account the relatively high prices of grain, there must be a slight falling off in pecuniary return as compared with last year on account of the inferiority of quality. Inferior grain spoils rapidly in keeping and thus the grade of a large part of the crop cannot as yet be finally determined. The net result is that although some of the grain now in farmers' hands will be graded and sent eastward by rail during the winter, the value of it cannot yet be known. The loss on this account cannot now be put into figures. Any attempt to do so must be a mere guess and ought to be so regarded. It is, however, to be remembered that while the deficient or delayed pecuniary return may result in delay in meeting payments on account of land purchases and for agricultural implements, the deficiency expresses itself rather in amounts not earned than in absolute losses. The great bulk of the crop has been produced not by new settlers, but by farmers who have enjoyed a series of harvests much above the average, and these farmers are as a rule in a position to withstand the strain of a bad crop. The recent immigrant who looked to this year's crop to enable aim to establish himself will undoubtedly suffer more or less serious material hardship. The short crop and pecuniary return at once cripple him in his power to defray his obligations and diminish his purchasing power during the succeeding nine months. Owing however, to the comparatively small extent to which it is customary for the banks to give credit to newcomers settling under homestead conditions, the homesteaded land not being in practice susceptible to hypothecation for some three years after entry, it is improbable that the aggregate amount of loans by the banks or by others to this class, is at all large.

On the other hand, the well established farmers, who, owing to the deficiency in crop, may have been obliged to draw upon their credit, have unquestionably in the usual case been able to furnish very ample security.

Municipal Extravagance.

For the rest, the shopkeeping class in the small towns is not large, nor are they usually in a position to give extensive credits, while the manufacturing class, save in Winnipeg and to a smaller extent in Calgary and Edmonton, may be said to be non-existent. The principal way in which these classes affect the financial situation is through the municipalities to which they belong. The municipalities, partly through ignorance of finance on the part of their leading men, and partly because there is a limited market for the securities of new and little known towns, borrow more or less largely from the banks. Such loans are looked upon as safe and remunerative, but they may easily assume proportions which cause them to be fairly regarded as dead loans. It is not a popular thing for a bank to insist upon reduction of municipal indebtedness. The loans in question, never very large in the aggregate, are now much reduced by insistence on the part of the banks that the towns in question should issue debentures. The past year was not a favorable period for such issues, but some have been made and the banks have in great measure been released from a situation in which though ultimate loss was extremely [illegible] funds were locked up which might be more expediently employed otherwise.

The Situation Under Control.

The situation in the northwest may thus, the deficient harvest notwithstanding, be said to have been brought under control. Great caution will, however, have still to be exercised to avoid loss on the one hand by ill-judged support, and on the other by equally ill-judged severity. A good deal of quite unjustifiably bitter feeling has been engendered against the banks in the northwest, on account of the necessity for the exercise of caution and for their refusal to relax their rules with regard to advances upon grain. The truth is that for years past the northwest has been debtor to the east and this condition must exist for years to come. It would be very disastrous for [illegible] unintelligent optimism were to take the place of business sagacity.

The Canadian Stock Market.

The stock market throughout the year has been influenced chiefly by causes external to Canada. Canadian stocks have suffered depression and even eclipse from local causes. The hostility to so-called public service corporations which has developed in the United States has had its reflection in Canada. It is apt to be forgotten that the situation is very different in the two countries. The corporation of the yellow journal—monopolistic, remorseless, owing legislatures and the judiciary is not known in this country. The system of public control has indeed been carried much further here than is generally realized. It is scarcely too much to say that the difficulty is not to prevent the abuse of power by the corporations, but to prevent the abuse of power by the executive governments. Nor is it even always certain that corporations get bare justice in the courts. This attitude, which is undoubtedly popular, has contributed to the temporary eclipse of important stocks, and if sustained may yet contribute to the eclipse of Canadian credit. Canada needs capital for its various enterprises, and this capital can only be obtained on favorable terms by scrupulous regard for engagements. The demand at present for capital throughout the world is so great that capital will not flow to a country where it is subjected to penalties and where the government evades its obligations by undignified expedients.

The Industrial Conditions.

Up till within the past few weeks the country may be said to have been enjoying a period of remarkable prosperity. Owing very largely to external stringency, there has recently been an unusual amount of unemployment and there have been some dismissals of workmen from manufacturing concerns. These dismissals have occurred either through the difficulty of obtaining needed additional capital or through the anticipation of a falling off in the demand for the manufactured product. Some of the manufacturing concerns which have been carrying on their businesses upon insufficient capital and which have been relying upon continued temporary advances for the purchase of material and the employment of labor have suffered either from high interest charges or from the difficulty of obtaining on any terms, all the accommodation they wanted. The diminution of general business and the falling off in the volume of stock transactions are reflected in the diminished clearing house returns at the important centres.

The Decline in Deposits.

Less easy to account for is a singular diminution in the amount of the deposits in Canadian banks. This phenomenon may result to some extent from investment of Canadian funds abroad, or it may result from the general increase in the cost of living which has impeded saving. There are no indications that the practice of hoarding, which has been conspicuous during the crisis in the United States has obtained any foothold in Canada.

The general conclusion from these considerations is that the financial condition of Canada is, on the whole, sound, and that notwithstanding sympathetic reaction, due to the United States panic, there is every reason why the new year should be entered upon without dismay.

CANADIAN TRADE.

Trade returns of the Dominion for the month of November show that the prevailing financial stringency is beginning to have a considerable effect. For the last month a decrease of $3,621,469 is recorded in the total imports as compared with November, 1906, while the total exports decreased by $2,455,769. Exports of domestic products decreased during the month by $3,231,074, while exports of coin and bullion increased by $912,186. The duty collected during the month was $4 940,522, a decrease of $409,586, as compared with the corresponding month of last year.

For the eight months of the current fiscal year, however, the total imports show an increase of $27,762,684, the total being $259,495,184, as compared with $231,732,500 for the corresponding month of last year. Customs duties for the eight months total $41 112,459, an increase of $5,676,546.

History Repeats Itself

PARALLEL PASSAGES IN 1893 AND 1907.

The U. S. Banking System Collapsed During Each Panic Test—Fervent Eulogies of the Canadian Banks—Those of Fourteen Years Ago Are Now Being Repeated—A Little Comparative History.

History has a curious fashion of repeating itself and the similarity of U.S. tributes to the Canadian banking system in 1907 and 1893 is sufficiently striking to make a collation of parallel passages extremely interesting. It is an easy matter for any banking system to move along quite easily in times of prosperity and panics are periods designed by Providence for days of reckoning. The last time of test was in 1893. In that period the currency and banking system of the U.S. proved absolutely inadequate and American bankers turned with admiring gaze where the banks encountered the depression without undue difficulty and the business of the country proceeded on its usual course.

At that time the U.S. banking authorities almost unanimously advocated an asset currency in some modified form or another as they are doing to-day. In 1894 nearly every bankers' convention passed resolutions favoring some features of the Canadian system. The hide-bound prejudices of generations of faulty banking prevented congressional action and then the banking interests were gathered together in 1895-6 in a life and death struggle against free silver. When that storm was cleared away prosperity was so immediate in its coming that the financial leaders forgot the faults of their banking and currency until ten years after they have again been rudely awakened to its glaring demerits. The similar tributes offered to the Canadian system in each depression are now worthy of reproduction and those of 1893 are recalled by the eulogy recently offered by Mr. Frank A. Vanderlip, vice-president of the National City Bank of New York, who said, in an address delivered at Columbia University:

"Throughout the terrific crisis which we have been experiencing, affecting as it has, every banking institution in the United States, and bringing most of them to a point where they were forced temporarily to suspend full cash payments, we have heard no word of difficulty from across the national border. Canada has been going through a land speculation more important when compared to her total resources than any speculation that has been engaged in here for many years; has experienced all the difficulties that have followed the world-wide strain upon capital which the industrial activities of the last two or three years engendered; she has had no wiser bankers and no more conservative business men than are the rule in this country; but there has been hardly a ripple on the surface of her financial affairs, and to our shame we have seen the banks of Canada perform a great service in moving crops of our own Northwest, while we stood financially paralyzed, with our credit fabric shaken to the foundation."

Hon. Chas. M. Fowler, of New Jersey, author of the most frequent Currency Bill has paid many tributes to the Canadian system but they are best crystallized in the following sentence:

"Right to the north of us, the Canadians, in most respects, have the best banking system in the world. It illustrates the constant interplay of bank book credits with bank note credits."

IN 1907.

In November, 1907, the United States was drawing all the currency it could secure from Canada to help it in its need. Canadian bank bills were passing current in preference to their own paper cheques. Theatrical companies touring in Canada were sending to New York not the usual drafts but Canadian bank notes. At all points adjacent to the Canadian border employers of labor were securing all the Canadian currency they could obtain to meet their weekly pay rolls. At Niagara Falls, N.Y., the great New York Central railway paid its workmen for several weeks in Canadian notes. In Buffalo the factory workmen received Canadian currency, the daily papers said that at least $50,000 in Canadian bank bills was paid out in wages. The situation on the Pacific Coast is told in the following newspaper despatch of Nov. 9th:

"Thousands of dollars' worth of drafts purchased in Dawson on Seattle banks cannot be cashed in Seattle because of the scarcity of money. They are being brought to Vancouver and every day sees large payments by the Vancouver banks of these drafts. Shipments of American gold to Seattle banks to-day aggregated $150,000.

One very noticeable effect of the present situation is that Bellingham which never has been unfavorable to Canadian money, is in excellent shape compared with Seattle.

Two-thirds of the cash in circulation to-day in Bellingham is Canadian on which no discount is charged, and the result is that the town has a good money supply.

Unless help speedily reaches Seattle the discount of Canadian money there will be called off and shipments made from Vancouver of Canadian bank notes for Seattle banks to pay out. This would solve the situation in Seattle, but it would forever prevent the bank notes or silver there.

Since that time Seattle has been obtaining all the Canadian money it can secure."

The confidence of the people of the United States in the Canadian banking system is shown. Even in ordinary times the deposits from American citizens in Canadian banks along the Niagara, Detroit and St. Mary Rivers, chiefly at Niagara Falls, Ontario, Windsor, Ontario and Sault Ste. Marie, Ontario, amount on a conservative estimate to $2 000,000. One bank in Niagara Falls has over $350,000 on ordinary deposit from individuals across the river. One Canadian bank has $800,000 in deposits from Detroit citizens. What was the result in November? The manager of one Canadian bank has received between Nov. 1st and Nov. 16th, two hundred new deposit accounts from the United States, varying in amount from $100 to $4,000 each.

The situation at Windsor opposite Detroit, is described in the following newspaper despatch:

"Windsor, Nov. 5.—(Special). A small army of depositors from Detroit and other United States cities have crossed here and opened accounts with local bankers as a result of panicky conditions in their own country."

In 1893.

The only way to secure a proper view of affairs is to ascertain what happened in the United States when the men of its banking system were last but to a test. After 1893, nearly every bankers' association in the United States advocated the introduction of some feature of the Canadian system. The trouble has been that while legislation has been introduced in Congress after the failure of our banking system had been demonstrated, prosperity comes in the meantime, people forget their trials, the smaller banks fear that the larger institutions may swallow them up and remedial legislation is lost. The following extracts are taken from the U.S. newspapers after the calamity of 1893 and indicate the real need of correction. Mr. A. J. Rooks, at the Tennessee Bankers' Association in May, 1894, said in an address advocating the Canadian system:

"Canada proceeded on the even tone of her way affected only indirectly and principally through her business relations with the U.S. In the U.S. interest rates vary from 3 to 4 per cent. in Boston and New York, for time paper to 12 to 20 per cent. in the West, while in Canada the rate for paper is 6 per cent. with a valuation of 2 per cent. at the most. This is in part attributable to the Branch Bank, but the elastic note circulation is also a strong and active factor. It took Canada a quarter of a century to progress from a bank circulation secured by bonds similar to that of our national banks to her present system, which is almost the ideal of what a bank circulation should be. It may take us as long but it is to be hoped that our Solons in Congress may lay aside all prejudices against banks and bank circulation and give the country such a system. It will not inflate the currency, it will not make us rich, it will not cause a fictitous rise in prices, it will not aid speculation, but it will respond to the business of the whole country with exactly the amount of circulation demanded by healthy trade and always maintain the proper ratio automatically.

The Baltimore Bankers' Convention in 1895 recommended the adoption of the Canadian system as did other bankers' associations throughout the Union.

The Milwaukee Sentinel on July 24th, 1893, said:

"During the panic the commercial relations between the United States and the Dominion of Canada are too close and extensive to permit the latter country to remain entirely unaffected by the disturbed conditions here of finance and industry yet on the whole business affairs are moving smoothly in Canada. There is no crisis there. Trade is a little dull but in general the industries and the trade of the country are in about as satisfactory a condition as usual. The number of business failures is rather less than last year. Why should there be such a difference between the two countries? The productions and industries of the States along our northern border and those of Quebec, Ontario and Manitoba are much the same. The only explanation of the stability of trade and industry as compared with ours seems to be that Canada had neither forced upon its people a vast mass of currency based on a fictitious valuation nor proposed a radical change in its tariff policy.

The Cleveland Leader on June 25th, 1893, said: Ever since the financial troubles became serious there has been a striking contrast between the U.S. and Canada in such matters as business failures and the state of the money market. There has always been more capital on this side of the border in proportion to population. Business failures are usually much less numerous in this country, relatively as well as absolutely, but by the way of contrast, in all respects the present comparison between Canada and the U.S. has been to the disadvantage of the latter.

Wm. C. Cornwall, president of City Bank of Buffalo, on Aug. 13, 1893, said: "The perfection of the Canadian currency is a matter of growth. It was started aright and has been steadily improved not by a lot of experimentalists, but by experts and bankers. With the exception of a small amount of Dominion notes, the currency is issued by the banks, and the amount rises and falls as the needs of commerce dictate, the bills are subject to daily redemption like cheques which is a strong safeguard against inflation."

The New York Sun, noted for its anti-British tendency, in 1894 said of the Canadian banking system:

"It is to these large masses and to the concentration of its management in a comparatively few banks that Canada owes its boasted immunity thus far from great financial disasters. The monthly statements which the banks are required to publish are so few in number that they can be easily studied and comprehended. The financial condition of the country, instead of being concealed under a chord of scattered statistics is kept constantly in view. The banks in outlying places are not independent of the centres and of one another, but are duly subordinated to capable heads. Any tendency they may show to an excessive expansion of loans and credits is checked at the outset and any assistance they may need is constantly rendered. How beneficial this unity of management can be is demonstrated by what our N.Y. Clearing House does in times of financial panic. If its control could have been extended to the rest of the country it could have done much more good than it did, and the duration of the crisis would have been much shortened.

"Another distinction between the Canadian bank system and our own is the absence of any requirement of minimum reserve of lawful money. This protection to creditors operates adversely to its purpose because it prevents expansion of loans when such expansion is imperatively needed. The Canadian banks are not thus hampered. The cast iron reserve limit of our National Bank Act is by the way a cause of stringency which results in this country at harvest time. The reserve is impaired by the withdrawal of legal tenders and loans and discounts must be curtailed."

Mr. Wm. Cornwell, president of Buffalo City Bank, in Bradstreet's, Dec. 3, 1894, again referred to the subject:

"The N.Y. Clearing House certificates saved the U.S. after her fearful panic from collapsing ruin. The elastic quality of Canadian bank currency, the remedy before, instead of after, saved Canada from the panic itself."

Comptroller of Currency Lacey said in an address at Chicago in 1894:

"Canada with not half our circulation and not half the reserve, has suffered very little during the recent panic because of her system of bank note circulation. It is not based upon bonds or any other security except only that it is granted to banks having large capital and is maintained by a pro rata tax upon the capital. My opinion and belief is that it will eventually be the system in this country and until you have some such system as this, these periods of depression and semi-panic are bound to continue."

Governor Stone, of Pennsylvania, commenting on the failure of the National bank system to meet the requirements of the people, stated in his report on the gold standard bill on Feb. 3, 1899.

"A system in which the people have implicit confidence and which has never cost a dollar of loss to the holder of one of its notes is languishing and far from keeping pace in its growth with the growth of the nation in population or business. The prestige of national name, and supervision, the absolute confidence of the people in every dollar of its money, and the right to issue circulatory notes have not enabled it to keep pace with state systems possessing none of these advantages. The conclusion is irresistible that there is some burden upon or defect in the national bank."

JOHN MACKAY & COMPANY

Bond and Debenture Brokers

7 and 9 King Street East

TORONTO

Cable Address, "CAPITAL."

Investments in
Municipal Debentures

Strength of security and convenience in form combine to make in municipal debentures a most satisfactory medium of investment. Debentures offered by us have been purchased only after most thorough investigation, and are accordingly suitable for parties looking for and requiring safe investments. We are always pleased to make quotations on request.

DOMINION SECURITIES
CORPORATION LIMITED 26 KING ST E. TORONTO

The Royal
Trust Company

HEAD OFFICE, MONTREAL

Capital Subscribed . . . $1,000,000
Capital Paid Up 700,000
Reserve Fund 700,000

BOARD OF DIRECTORS
Right Hon. Lord Strathcona and Mount Royal, G.C.M.G., President.
Hon. Sir George Drummond, K.C.M.G., Vice-President.

R. B. Angus
E. S. Clouston
E. B. Greenshields
C. M. Hays
C. R. Hosmer
H. V. Meredith
Sir W. C. Macdonald
Hon. R. Mackay
A. Macnider
A. T. Paterson
Sir R. G. Reid
James Ross
Sir T. G. Shaughnessy, K.C.V.O.
Sir Wm. C. Van Horne, K.C.M.G.

TORONTO BRANCH
BANK OF MONTREAL BUILDING
M. S. L. RICHEY, Manager

MUNICIPAL OFFICERS
Read Faithfully
ALL ABOUT BONDS
in
THE FINANCIAL POST

STATEMENTS

We are prepared to furnish reports on Investment Securities on request.

Requirements of Investors carefully considered by personal interview or correspondence.

Bonds and Stocks

Bought and Sold
on Commission.

A. E. Ames & Co.,
LIMITED

7 & 9 King St. East, Toronto

JOHN STARK & CO.
MEMBERS OF TORONTO STOCK EXCHANGE.
Stock Brokers and Investment Agents
Orders Executed in Toronto, Montreal and New York
FOR CASH OR ON MARGIN
26 TORONTO ST. TORONTO
Correspondence Invited

THE FINANCIAL POST
OF CANADA
JOHN BAYNE MacLEAN, President
STEWART HOUSTON, Managing Editor

WE ARE prepared to render a high-class service to individuals who are in any way interested in Canadian banking or investments. The latest reliable news of stocks, bonds and real estate is discussed—not in a prosaic fashion, but rather the current investments of the week are carefully analysed to their essential features in a way which holds the interest to the last. Send 25c. for a month's subscription. Before you have read the four issues you will be among the number of our many warm friends.

Subscription Price
$3.00 Per Year

Publication Office,
10 Front St. E., Toronto

PROVINCIAL SECURITIES CO., Limited
We buy and sell Gold, Silver, Iron, Copper, Asbestos and Coal properties.
Western Land, Stocks, Bonds and Debentures.
Traders Bank Building, - - Toronto, Canada
PHONE MAIN 6090

W. Scott Hutchinson Stewart J. Lloyd
HUTCHINSON, LLOYD & CO.,
Investment Agents,
ROOM 24, OTTAWA BANK BUILDING,
ST. JAMES STREET, - - - MONTREAL, QUEBEC.

RAILWAY AND RAILROAD BONDS
We offer bonds of a large transcontinental railroad with a bonus of preferred and common stock.
Warden & Francis
Toronto

The Labor Situation

SUMMED UP FROM REPORTS TO THE LABOR BUREAU.

A Plethora in the Large Cities—Maritime Provinces Have No Unemployed—Large Reduction During Winter on G.T.P.—There Will Be An Opening for 1,500 in January—A General Industrial Review.

Ottawa, Dec. 31.—A review of the labor situation in the different portions of the Dominion shows varying conditions, with the outlook not quite so gloomy as some people would make believe. There has undoubtedly been a somewhat remarkable change in certain portions of the country in a few months. During the summer, from all sections there came the cry to the immigration department, "We want men." Even as late as two months ago there was a large demand for help. To-day, however, in the larger cities principally, there is a plethora of labor, and the charitably disposed are hard pressed in order to keep the unemployed from starving. In other portions of the country work for considerable numbers is offering.

The contributory causes to the present situation are two: Firstly, there is the general financial stringency which has lead to a curtailment of business operations, involving the diminishing of production, and the shutting down, in some cases of manufacturing establishments.

Then, secondly, there are local conditions which are bound to manifest themselves. At this season there is, of course, the usual cessation of outdoor operations which chiefly affect the agricultural industry and the building trade. There is, perhaps, a disposition this winter on the part of the Canadian farmer to protect himself even as the manufacturer is endeavoring to do. According to the report of the charity officer of the City of Ottawa, more farm laborers have been let go this season in this section than has been the case for some years, and yet notwithstanding this fact farm help is in demand. In three days in one week in December 18 men, all artisans, went farming in the County of Carleton. True, the wages are not large, ranging from $8 to $10 a month and board, but better these low figures than that a man should starve. More vacancies remain to be filled, but men cannot be had. Some of the unemployed in the cities prefer to "hang round" trusting to the undiscriminate charity of our citizens to tide them over the winter, rather than acting the part of men and accepting the first thing that offers Six men, "guests" at the shelter house of one city mission last week absolutely refused to work. They wanted to be deported either at the expense of the country, or of the transportation companies.

Unquestionably, the closing down of the sawmills in Ontario and Quebec has affected a large number of men. As a general rule the man who works in the lumber mill in the summer finds his way into the woods in the winter. The lumbering camps this fall have absorbed fewer men than usual. The depression in the British timber market coupled with high wages and cost of supplies in Canada has lead to a restriction of operations both in New Brunswick, Quebec and Ontario varying from 25 to 50 per cent., with the result that the cut, both in Ontario and the Eastern Provinces will be much smaller during the present winter than for some years past. And yet, despite the curtailment in this industry, men required in certains lines are difficult to get. Outside the door of an employment agency in Ottawa stood a blackboard one day last week, "Teamsters and loaders wanted for the shanties," was written in bold letters that could have been read from the opposite side of the street. A number of men were seen coming out. The majority were experienced shantymen and residents of the city. This was about ten o'clock, and as the office had opened about two hours earlier, one would naturally have expected to find nearly all the positions filled.

"How many men have you hired this morning?" the agent was asked. Before he had time to answer, the enquirer ventured to guess thirty. "You'll have to guess again," replied the agent. "I haven't got one yet." Then the agent told that he wanted thirty men and the wages were $26 per month, with board. Twenty men, some of whom had been in his office every hour of the day for the past two weeks, only laughed when he offered them that amount per month and went out rather indignantly.

This is a fair sample of what is going on in Ottawa, almost every day, and possibly the same story could be told in other cities. In this connection it may be of interest to summarize the reports received at the Department of Labor. The December returns have not yet been received, so that it will be understood in what follows that the reference is to conditions existing about Nov. 25th. Generally speaking, the reports show that manufacturing in Ontario, though there has been no marked falling off in orders, is less active than for some time past. To use a well known phrase, there has been a "shortening of sail," staffs have been reduced, and shorter hours are being worked in a number of important establishments. The stringency in the money market, due to the recent expansion of business accompanying the great prosperity of the country, though felt to a less degree in the Maritime Provinces, has lead to a general shortening of credits, with the result that capital for several projected enterprises has been difficult to obtain.

Toronto reports a curtailment of operations in nearly every department of industry. The tendency towards retrenchment, and the reduction of working forces has been very general.

Peterboro says that labor during November was fairly active, although a number of workmen were out of employment. The general outlook for the winter is reported to be not encouraging.

The Belleville correspondent reports November as an excellent month for almost every branch of labor. Few were out of employment despite the fact that within the past year the population of the city has increased by five hundred. Two cement plants near Belleville had difficulty in getting the unskilled labor required.

Ottawa states that the lumber manufacturers decided to curtail logging operations owing to the high wages and excessive price of supplies. Wages for log-makers have dropped $5 a month.

Niagara Falls reports that the financial and industrial depression has been plainly felt in that district.

St. Catharines looks for a speedy return of activity.

At Hamilton there is a slackness in most of the trades and many workmen of the large industries have been laid off.

Brantford states that a number of workmen have left the city, while in two of the factories the wages of unskilled laborers have been reduced from $1.50 to $1.35 a day.

In Berlin there are many men seeking employment. The number would have been largely augmented had it not been for the starting up of the factory of the Ontario Sugar Company, which has engaged some one hundred and fifty men.

Stratford reports two hundred men laid off at the Grand Trunk Railway shops, with the result that many have left the city.

London notes less employment in every line at this time than for the past five years.

St. Thomas remarks rather better conditions, there being few idle men in the city.

Chatham states that manufacturing firms are shortening the hours of labor instead of reducing the staff in order to keep the hands employed. The Chatham Auto Company made a cut of 25 per cent. in wages of a number of its best hands. As a result a number left for Detroit.

From the Maritime Provinces the reports are more cheering.

Sydney states that all the large industries there continue active.

Westville has a similarly favorable statement.

Halifax reports a briskness in the building trade.

Amherst states that November was a busy month.

Moncton says that laborers, skilled and unskilled, have been in great demand.

St. John, N.B., is looking forward to a busy winter.

Quebec states that labor was more active in November than in October, owing to the better weather conditions.

Sherbrooke notes a reduction of staffs, especially in the iron industry of the city. One establishment has laid off thirty-five hands, but the worsted, woolen and carpet factories are running full time.

St. Hyacinthe reports not much change in the conditions of the labor market. Many industries are still running full time.

Montreal also reports general activity for the month, although with the advent of winter there will necessarily be a felt curtailment.

Winnipeg finds that employment has not been as plentiful as in any previous November. Railway construction affords employment for a large number of men at rock work, but ordinary earth grading has, of course, ceased.

From British Columbia a marked decline in both lumber camps and mills is reported. In the mining industry, also, reductions in working forces have gone into effect; in Ontario, in the metalliferous mines of British Columbia, and in the mica mines of Quebec. The asbestos mines of the latter province, and the coal mines of Nova Scotia are, however, producing to their utmost capacity.

In view of the prevailing conditions the question may be asked as to available openings in the labor market at present. Naturally one's mind turns to railway construction, and it is gratifying to learn that there is work to be had for men capable of standing the rigorous Canadian winter, and who are capable of roughing it. During the summer it was stated that the Grand Trunk Pacific had some twelve or thirteen thousand men employed between Winnipeg and Edmonton, but as the principal work, earth grading, cannot be done in winter, the company has now had to let a large number of men go. The line through the Rockies has not yet been located. Had this been done, earlier, as the people of British Columbia have been urging, and contracts for a portion of the Mountain section let it would have enabled men whon freed from employment on the prairies to have undertaken rock work in the winter, as this is the class of employment which can best be pursued on railway construction on frosty weather. It is a safe estimate to say that not more than four or five thousand men are engaged in railway construction west of Winnipeg at the present time. East of Winnipeg conditions are different. Mr. Poulin, engineer in charge of the district which extends from Winnipeg to Lake Nipigon, informs me that on the McArthur and McDougall contracts six thousand men are now being employed. Mr. McArthur will be prepared to augment his small army in January by at least fifteen hundred. From Lake Nepigon to the headwaters of St. Maurice, north of Three Rivers, there is nothing doing. The location parties have suspended operations for the winter, and no portion of this work has been let. From LaTuque, on the St. Maurice, eastward, to Quebec, the number of men employed at present is about four thousand and more could be taken. On section B, which extends from the eastern end of the Quebec bridge to within fifty miles of the New Brunswick boundary line some two thousand men are employed on the Davis contract. The contractors will not undertake to engage any more men at present, but in the early spring they are prepared to largely increase the number of men. Section A, which includes a small portion of Eastern Quebec and the whole of the territory in New Brunswick as far as Moncton, has only seven hundred men on it, and on this portion of the line the contractors can engage many additional workmen.

Summing up conditions from the many reports to hand it would appear that there is a scarcity of men and an abundance of work offering in the Maritime Provinces; that on the Quebec sections of the N.T.R. sufficient men are now being employed; that in the vicinity of Winnipeg work will be available shortly for twelve or fifteen hundred additional men, skilled and unskilled; that in certain sections of Ontario and Quebec farmers are adopting what may be rightly designated as a patriotic policy in employing hands even if the wages offered be low; that there is a migratory movement on the part of a number of farm hands to the city in the winter that in many of the cities there is a sincere desire of the part of many of the unemployed to find work, while on the other hand there is a loafing element which does not want work, and will not accept it when offered. It would, therefore seem to be the duty of the local authorities, when cases like the latter are found, to make an example of them.

NOVEMBER RAILWAY EARNINGS.

Canadian railroads are very high up in the gross increases for the month of November. The increases for the month were :

Great Northern System	$944,043
Canadian Pacific	599,187
Canadian Northern	216,700
Colorado & Southern	203,376
Illinois Central	199,193
Grand Trunk	173.820
Yazoo & Mississippi Valley ...	75,735
Western Maryland	74.639
Buffalo, Rochester & Pittsburg	71,870
Central of Georgia	56,900

The more noteworthy decreases from November, 1906, are shown in the following :

International & Gt. Northern	$337,000
Texas & Pacific	258,920
Louisville & Nashville	221,742
Missouri Pacific System	145,000
Chicago Great Western	134,789
Wabash	100,103
St. Louis South-Western	83,815
Chicago, Indianapolis & Louis	70,605

It should be particularly explained that the loss reported by the Chicago Great Western is due in large part to a strike which has continued on the road since September 14.

Cable Address, "OSLER."
Osler & Hammond
Stock Brokers and Financial Agents
MEMBERS
TORONTO STOCK EXCHANGE
21 Jordan Street - - TORONTO

Osler, Hammond & Nanton
Stock Brokers
Corner Main and McDermid Streets
WINNIPEG, MAN.
BUY AND SELL ON COMMISSION
STOCKS AND BONDS
ON TORONTO, MONTREAL, NEW YORK AND
LONDON EXCHANGES

SIR HENRY MILL PELLATT NORMAN MACRAE
REGINALD PELLATT
Pellatt & Pellatt
STOCK BROKERS and
FINANCIAL AGENTS
Traders' Bank Bldg. Toronto

Toronto, Montreal and New York Stocks and Bonds
Bought and Sold for Cash or on Margin; also
Execute Orders in Grain and Provisions
on the Chicago Board of Trade.

Agents in Edinburgh and London

MEMBERS OF THE TORONTO STOCK EXCHANGE
Cable Address "PELLATT"

Cable Address, Ostran
Telephone, M. 7445
" M. 7446
H. C. OSBORNE
G. L. FRANCIS
J. E. OSBORNE

OSBORNE & FRANCIS
Members Toronto Stock Exchange
52-54 King St. W.,
TORONTO. - - CANADA
Stock Brokers,
Railroad and Corporation Bonds,
Municipal Debentures.

The CANADIAN
BANK OF COMMERCE

Notice is hereby given that the Annual General Meeting of the Shareholders of the Bank for the election of Directors and for other business will be held at the Banking House, in Toronto, on Tuesday, the 14th day of January next. The chair will be taken at twelve o'clock noon.

By order of the Board,
Alex. Laird, General Manager.
Toronto, 30th November, 1907.

The Canada North-West Land Company, (Limited)
RETURN OF
COMMON STOCK CAPITAL

Notice is hereby given that in conformity with the Company's Acts, and under authority of a resolution of the Directors, a pari passu return of $7.50 per share, of the Capital of the Common Shares of the Company outstanding, will — on or after the fifteenth day of January, 1908—be repaid to the holders of such shares of record on the closing of the books at the close of business on the 30th day of November, 1907, upon the presentation for endorsement of their certificates of such Common Stock—if on the London Register, to Edward Tremayne Registrar, at the office of the Canadian Pacific Railway Company, 62-65 Charing Cross, S.W.; and if on the Canadian Register, to the Secretary-Treasurer, at the Company's Head Office, 21 Jordan Street, Toronto, on or after (BUT NOT BEFORE) the said 15th day of January, 1908.

The Transfer Books of the Company will be closed from the 30th day of November, 1907, to the 15th day of January, 1908.

By order,
S. B. SYKES,
Secretary-Treasurer.
Toronto, 11th November, 1907.

REVIEW AND OUTLOOK

(Continued from page 1.)

Mr. James B. Forgan.

Mr. James B. Forgan, president of the First National Bank of Chicago is one of the most authoritative bankers in the United States. He is a Scotch-Canadian who learnt the banking business in the Bank of Nova Scotia of which institution he became inspector in 1880. A few yars later he moved to Chicago and quickly achieved a prominence in the finance, not of that city alone, but of the entire Republic. He writes:

"I do not care at the present time to express for publication my views on the 'situation developed during the past year and the outlook for the future.' My views are of a radical nature both as to the cause of the situation and as to the necessary remedies to be applied to prevent such occurrences in the future. It is quite probable that I will at some future time in some way place my views before the American public by publishing them, but my present judgment is that the time for so doing has not yet arrived and until it does I am not saying anything.

"I enclose a copy of a letter addressed to the editor of the New York Times by Mr. A. B. Stickney, president of the Chicago Great Western Railway Co., in which there is a strong statement of conditions lying at the foundation of our banking troubles in this country. It may be of interest to you. It is certainly well worth reproducing in your columns."

American Banking Defects.

Mr. Stickney's letter follows:

"Some of the statistics contained in Mr. Ridgely's report, which has just been published, when analyzed and compared with other banking systems, prove most conclusively the necessity of the central reserve bank which he advocates.

"It appears that on Aug. 22, the 6,650 National Banks of the country held deposits amounting to $4,775,000,000, and held for 'statistical purposes' actual cash reserves amounting to $552,000,000, while all the banks in England, in October, 1901, the last date at my immediate command, held $3,732,000,000 in deposits against actual cash reserve of only $185 885,000 in gold in the Bank of England.

"With this enormous reserve for "statistical purposes" of $552,000.000 in gold, all the banks in the United States were compelled to suspend specie payment in October.

"With these facts before me, the question arises: Do the banks in this country possess any reserve in any true sense of the word 'reserve'?

"The Units of a nation's military reserve are its able-bodied fighting men, but as long as these fighting men are scattered over the country, unorganized, they constitute no military reserve to defend the country against mobs, insurrections, or the invasion of the public enemy.

"So, if these units of the military reserve of a country are organized into 7,000 small bands, under the command of 7,000 independent captains for the purpose of protecting their individual localities, but absolutely refusing to leave their locality or engage in the general defense or in the defense of any other locality owing no allegiance to each other or to any superior officer, they would in no proper sense of the word constitute a military reserve.

"The present condition of the so-called bank reserves is exactly similar. Its enormous units, consisting of over 552,000,000 of gold dollars, are unorganized, scattered in insignificant banks, each commanded by an independent captain, who is intent upon taking care of himself, who refuses allegiance to any superior officer, and refuses to go to the defense of any other bank when beset by the public enemy—distrust.

"These independent captains not only refuse allegiance to any superior officer and refuse to go to the defense of any other bands, but they are continually making efforts to increase their own band by depleting the forces of the other captains.

"Under such circumstances, can the $552,000,000 be properly considered as bank reserves, any more than the larger number of dollars which are contained in the pockets of the people?

"On the other hand, had this enormous amount of gold, constituting a huger pile than has ever been aggregated in the history of commerce, been held in a great central reserve bank, like the Bank of England or the Bank of France, available for defense against the attack of distrust and panic in any section of the country, it is beyond question that the banks in this great country, instead of occupying their present humiliating position, would now be on a gold basis, capable and willing to extend all the necessary credits required by the vast commerce of the nation.

"A London banker recently wrote me as follows:

" 'It is ridiculous that with £300 000,000 of gold in the United States, as compared with £30,000,000 in the Bank of England, the great American nation should be reduced to such a pitiful pass.'

"Oh, the misery of being pitied by an Englishman!"

The Premier Bank President.

Sir George A. Drummond, president of the Bank of Montreal, is also the head of the Canadian Sugar Refining Company, one of Canada's most important concerns and as a director of many other companies, his words will be of especial value and appropriately begin the expressions of opinion from Canadian authorities. "It would appear to me that if any change is to be anticipated it must be somewhat to the better. As long, however, as affairs in the United States have not resumed their normal condition and specie payments resumed in the great financial centres predictions must be hazardous. In any case the worst I look for is comparatively dull times till next year's crops are assured. Enterprises already on the way or most of them, may be finished but few new ones will be undertaken with the inevitable effect on the labor market."

In regard to the present situation Sir George refers to his review at the annual meeting of the Bank of Montreal, held on December 2nd, in which he said:

"Here in Canada we have escaped most, if not all, of the troubles of our neighbors. The collapse in stocks has, no doubt, affected many investors, but beyond a certain tightening of the money market and advancing interest, I see no evidence of serious ill effects. The banks have been acting with caution and reserve, which is eminently proper with a conflagration raging next door; but, as the detailed review which follows will show, consumptive demand has been good, and the excellent business of the early part of the year has shown little abatement up to the present time.

"Canada has experienced a decade of remarkable commercial expansion. Ten years ago our total foreign trade on the basis of imports for home consumption and domestic exports, amounted to $234,926,000; in 1907, on the same basis, it reached $571,783,000 showing an increase of no less than 143 per cent. According to the census of 1901, our population was 5,370,000 and in the six years which have since elapsed the returns show some 930,000 immigrants to have entered the country for settlement, and adding to these the natural increment, our population to-day is approximately 6,600,000, representing a gain of 23 per cent., as compared with a gain of 143 per cent. in foreign trade. These figures indicate an extraordinary period of commercial development, perhaps unparalleled in any other country.

"Domestic trade, measured by the amount of currency in circulation, is seen to have experienced a similar expansion. In ten years the circulation of Dominion notes of small denominations has risen from $7.560.000 to $16,430,000 or upwards of 100 per cent., while the bank note circulation has expanded from $36,000,000 to $84,290,000 or 135 per cent. These returns are certainly most gratifying, indicating the great natural wealth of the Dominion, the capacity and enterprise of our people.

"That the trade has proved profitable and contributed to the enrichment of all classes, the public deposits in the banks, chartered, Government and savings, attest. Since 1897 the aggregate of these deposits has amounted up from $270,000,000 to $677,400,000, and in the last six years the deposits of the public in the banks have increased from $74 per head of population to $103 per head.

"This is the bright side of the shield; what of the reverse? We have had, the country over, a somewhat unfavorable year for agriculture. Inclement weather has reduced the product of cereals, hay and feed, below the normal and the important dairy output has also been diminished. Higher prices of farm products of all kinds prevail; and it is believed that the higher prices will compensate the farmer for the lessened supply.

"The foreign trade balance is running somewhat heavily against Canada. In the five years, 1898-1902 inclusive, the excess of our imports over exports of domestic products was only $25,250,000, the smallest adverse balance of trade in the history of Canada in a like period. In the five years elapsed since 1902 the value of imports for home consumption has exceeded the value of domestic exports by no less than $291,850,000, and in the fiscal year ended June 30th, 1907, the excess of imports was $118,760,000, the greatest in our history. This balance has to be liquidated sooner or later. Foreign loans assist materially in the process, and in the nature of things Canada will borrow largely in the future to carry on the development of her resources. The condition of the foreign money markets may, however, temporarily check the flow of capital into this country, and reduce somewhat the activity of enterprises which contribute to the commercial industrial prosperity of Canada.

"A good deal depends on the duration of dear money in the financial centres of the world, and not having the gift of prophecy, I refrain from expressing any opinion on that point. What the situation does appear to counsel, is the wisdom of refraining from speculative ventures, from embarking much in enterprises in new fields, until capital flows more freely. The general state of trade I believe to be sound, and if we have reached a period of pause, if the pendulum is to swing back somewhat, there is no reason to believe that the recoil will be severe or protracted. The large emigration w are now receiving, the opening of new territory by railway construction, give reasonable assurance of continued commercial progress, while our financial and banking methods are so sound and conservative as to mitigate, when they cannot altogether prevent, the severities of the natural law of reaction."

The Opponent of Extravagance.

It was an interview of Mr. J. Elliott's on personal extravagance last summer in which he referred to wasteful expenditures on automobiles, cigars, billiards and other luxuries that was repeated in press and pulpit throughout the country. The general manager of the Molson's Bank believes with many authorities on political economy that extravagance is at the root of difficulties. His message to The Financial Post is: "The people have been spending too much. There never was a time when the practice of economy has been more necessary to our welfare. The country is sound at bottom and affairs will resume their normal conditions if there is not too great waste. We are, however, largely dependent on next year's harvest. Therein lies the crux of the matter. Given a fair harvest the country should be in good shape. We have had a most favorable autumn in the West and the increased acreage which the farmer has ploughed up promises well. Payments cannot be said to be good. Our manufacturers in the past eager to take advantage of the sound business offering taxed themselves beyond their resources. Too much money went into bricks and mortar. Fortunately we know exactly where we stand in Canada. We have a good system of banking and our monthly Government returns which can be depended upon show us where we are. It must be remembered that we six millions of inhabitants in a young debtor country have our hands full in taking care of 300,000 new immigrants each year."

A Wholesome Lesson.

Mr. George Burn, general manager of the Bank of Ottawa writes in a modest vein but the discerning readers of The Post know that anything he says is the result of a keen observation and an inherent knowledge of salient economies:

"Any utterances of mine would only echo those made by people occupying positions of more importance in the country.

"I can add little or nothing to what I said at the annual meeting, as per clipping enclosed. There has been, no doubt, a considerable amount of speculation carried on during the last few years, which must have received a severe check, but if it teaches business men to attend to their own legitimate affairs and give less attention to schemes for "getting rich quickly," the lesson will be a wholesome one, and the pains and penalties of the present time will not be lost. Patience and ordinary business prudence are needed, together with a certain "marking time" in connection with the extension of business enterprises. With these principles conceded and applied, I have no fear for the future. Our country is intrinsically sound.

"Repeating what I said at the Bank of Ottawa's annual meeting, I may add that while there can be no doubt that the country will have to grow more slowly than of late until new capital is available, either in payment for what Canada has to sell, or for investment in her enterprises, I can see no serious cloud looming up, if only the business community will exercise ordinary prudence, and refrain from seeking to expand more rapidly than circumstances warrant.

"It does not often happen that the scarcity of money has been so world wide as during the past few months. In our own country, the delays in the marketing of the crops, the continued growth of imports, and the demands for advances, created by the extraordinary expansion West of the Great Lakes, have all combined to use up to a considerable extent the available resources not only of the banks, but of the loan companies and insurance companies. The growth of deposits has slackened, and most of the banks have increased materially their advances to their customers. A brief comparison of the figures of the October statement with that of 1906 shows this, the total increase of commercial discounts in Canada during the year being $48,841,000, while the deposits by the public have increased $15,000,000."

A Splendid Ultimate.

Mr. Stuart Strathy, general manager of the Traders' Bank, is the latest acquisition to the headships of our large institutions and his very interesting expression takes a wide view that is illuminating:

"I am in receipt of your letter of the 26th instant, and note that you would like some opinion from me on the present situation and the outlook for the future.

"It is a very difficult thing indeed, to act the role of a prophet, but I think the wise action of the banks in curtailing credits for a year or over has produced a very wholesome effect upon the public at large, and I think that all manufacturers have been endeavoring to meet the altered circumstances as much as possible. The unequaled prosperity which we have enjoyed for several years past had its natural result in the expansion of all industries; moreover, in a new country like this, while our population has been quite rapidly increased by a large influx of immigrants, combined with good crops and comparatively easy money, a tremendous impetus has been felt throughout the breadth and length of the land. It is necessary, however, that such a state of affairs should reach a climax, and it is only right that these periodical times of checking up such an expansion should occur. This country, however, with its enormous natural resources, which you might say have just been scratched over at the fringe, both as regards its acreage of lands ready for agriculture and its mineral resources, must ultimately have only one issue, that of progression, but we can depend upon it that during this progress we will have our regular set backs, and it is only right that it should be so, to make us all realize that we can only "earn our bread by the sweat of our brow." This progress can be very much impeded by speculation and dishonesty, in high places particularly; if honest administration of affairs can be secured, our progress will be so much the more rapid.

"I appreciate the compliment you have paid me in asking me to give you a few of my thoughts upon this matter. Any expression I can give you can only be more or less of a platitude, but I think that all Canadians realize that we have one of the most wonderful countries on the face of the earth, and that we only require population in the country to make it take its rank amongst the foremost powers that be."

Easy Money in Due Course.

Mr. C. A. Giroux, manager of the Montreal branch of the Banque d'Hochelaga, a banker most intimately connected with French-Canadian business, writes most succinctly:

"That 1908 will be a test year for commercial and financial Canada, should be admitted.

"After the long and continued spell of prosperity, traders and manufacturers have become very sanguine and in some instances, have extended their operations beyond the proportion of their invested capital, and relied too much on borrowings. It must naturally follow that we cannot escape being affected in some way with the financial crisis existing now in the United States, which will reflect itself in Canada by a contraction of business. Commodities will not command the excessive prices which have ruled during the year just ending.

"The cost of labor will also be reduced and buildings in large cities will be on a smaller scale.

"All these causes should, in a long run, create an easy money market and the general conditions in Canada should become very healthy. That our country shall continue to develop itself, cannot be doubted, and we shall come out of this financial stringency more powerful and with greater abilities and means of permitting the development of our wonderful country. All should, therefore, hope, that though the beginning of the new year might see some little unpleasantness in business the end should see a great change for the better, with Canada more prosperous than ever."

Quebec in Good Shape.

Mr. H. Laporte, president of the Banque du Provinciale du Canada and head of the firm of Laporte, Martin & Co., wholesale grocers, wine and spirit merchants, of Montreal, says:

"The outlook for the future is favorable, especially in the Province of Quebec, where payments have been met in a satisfactory manner. After three or four years of exceptional prosperity it is natural that we should not continue in the same rate of progression. If manufacturers and wholesale merchants do not divert their capital into other channels and if they give their own business their undivided attention they have nothing to fear. While the business of La Banque Provinciale and of our own firm does not extend far into Ontario nor the West, I can speak of the situation in Quebec and as far East as New Brunswick. The French-Canadian is by nature less extravagant and this feature of his character extends to municipal undertakings so that with the possible exception of the City of Montreal and adjoining municipalities where expenditures have been heavy, there is no local depression on account of the prostration of municipal works through lack of funds. Quebec is largely a province of farmers and they seldom apply for loans on their farms to more than a quarter or a third of their value. The customary rule in Ontario, for example, is to ask loans on property for one-half of the value. We need have no fears for the future. Wholesale merchants on account of the general discussion of the financial stringency have scrutinized credits more closely and their action seems to have given rise to unfounded rumors chiefly from disappointed retail merchants who were not accorded extensions. I believe that our business houses as a whole are in excellent condition."

Ample Employment in N. B.

Mr. R. B. Kessen, general manager of the bank of New Brunswick, one of the oldest institutions in Canada, and also one of the most prosperous, having paid a twelve per cent. dividend longer than any bank in Canada, writes of conditions in the Maritime Provinces:

"The situation in New Brunswick can be considered as very fair. The year was not a good one for the farmers, and the fall in the price of lumber has been disappointing to the operators, but both the farmers and the lumbermen have for some years been doing well and this year's set-back will not seriously affect them.

"The fishing results have not been uniformly good, but average fairly well.

"The outlook for the future is sufficiently good. There will not be so much lumber cut this winter as of recent years, but there seems to be employment for all the labor that offers in every direction.

The wholesalers and the merchants are in good shape, and the curtailment of credit, which has to some extent taken place, will not seriously affect them.

"In Prince Edward Island, where we have branches, the year has been a particularly good one, and the whole community is better off perhaps than they ever have been."

The President of the Manufacturers Does Not Look for Further Trouble.

"So many important men have already given their opinion on the present financial situation that it is very difficult for me to give any new idea.

"I believe that one of the causes of the present situation is that being so near to our American friends, we have followed their ways of living too closely and there has been too much extravagance in our private personal ways of living in comparison with the tradition of the old French and English famiiles. This process has repeated itself in the general business. Moreover, there has been too much stock and real estate speculations. We have no idea of the amounts of money that have been drawn from the banks and sent to the United States either to pay margins or buy stock; these large amounts being drawn from the banks have naturally diminished the amounts deposited in the banks which afterwards have forced the banks to curtail the discounts of the merchants and manufacturers.

"The foreign trade balance has been running very heavily against Canada for some time, and our imports have exceeded the value of our domestic export in the fiscal year ending June, 1907, by the sum of one hundred and eighteen thousand dollars; this balance will have to be liquidated sooner or later.

"I believe that our people have not given the encouragement they should to our goods manufactured in Canada, because the more our people will buy our Canadian goods the more employment will be given to our working men.

"I consider that the financial situation of our banks and manufacturers are in a sound condition, and that with prudence and economy we shall be able to avoid any further troubles from which our neighbors are suffering."

Not a Good Year, but Will Improve.

Mr. A. E. Kemp, M.P., president of the Kemp Manufacturing Co., says:

"Different causes have contributed to the existing depression in Canada. That we have been conducting business generally under boom conditions there can be little doubt; still there does not appear to be much evidence available to show that many business men anticipated the same. On the whole, it will not be an unmixed evil if we are prepared to take its lessons to heart. If banks get back to original principles, as I understand they are doing, and only loan money to those with legitimate undertakings, and upon reasonable security, and if business men will be satisfied with moderate expansion and carry moderate stocks we will have learned something that will assist us in the future in meeting depressed conditions when they occur.

"The interesting point is as to the duration of the depression. This depends upon several 'ifs.' My own view is that it will be short.

"A good deal depends upon conditions in the Northwest, as well as the ability of our productive enterprises to keep their hands employed.

"Ours is a 'Good Times Tariff.' If it proves to be too low to meet 'Bad Times Conditions' from outside, there will be trouble here.

"I take it that immigration will continue to flow into the country. If immigrants continue to seek homes upon the unoccupied lands, coming in large numbers as they have in the past, this in itself will assist in bringing about better business conditions.

The autumn and winter in the Northwest have been favorable for carrying on farming operations. It is said that more land has been turned over this fall and up to within a very recent date than any previous year, owing to the mildness of the weather. If we are blessed with a favorable spring for getting the crops in, this in itself will restore confidence to a great degree.

On the whole, while I do not think the year 1908 will be as good a year for business as the one just past, still I look for a considerable improvement over present conditions.

The Outlook Not Discouraging.

Lieut.-Col. James Mason, general manager of the Home Banks, writes concisely:

With regard to the financial situation, lically, I regard it as follows:

An easier feeeling prevails, although the stringency in money remains about the same. It is generally felt that a turn will soon come. The recent depression in prices made stocks attractive to those having savings at 3 per cent., with the result that a large amount of deposits has been withdrawn and put into stocks in small lots. I look for a gradual return of confidence and a disappearance of the present stringency. There are not many failures, and payments are fairly good. Sellers and buyers are both acting with caution, which will help to place business on a sounder footing. I do not consider the outlook discouraging.

CANADA'S TREASURY GOLD

(Continued from page 5)

decided and properly, that it would be in the public welfare to hold a cash reserve of 10 per cent. against it, and the Savings Bank Act requires $6,142,611 of cash to be held for the purpose. Thus the Treasury gold figures out as follows:

Amount held 31st October, 1907		$46,564,410
Required against Dominion notes	$38,741,544	
Required against Sav. Bk. deposits	$6,142,611	$44,884,155
Free cash or excess		$1,680,255

The excess of $1,680,255 represents all that the Government could properly apply to aid in moving the crops, unless it were to borrow abroad and bring fresh funds to this country.

A very little consideration shows why it is that the reserves, as required by law, should be held inviolate.

Of the total issue of $61,241,544 Dominion notes, the banks held $48,131,162, or nearly 80 per cent. As these constitute the integral part of their cash cash reserves the banks are the parties chiefly concerned in the maintenance of the reserves. Furthermore, the Government's stock of gold was not accumulated through collection of revenue, over and above expenses, or through bond issues in London, but the whole gain in the last 8 or 10 years has been made through the action of the banks in handing in gold and taking out Dominion notes. The process that has been going on is shown in the following table:

Dominion Notes: Outstanding, 31 Dec., 03, $40,635,940; 31 Oct., 07, $61,241,544; Increase, $20,605,604.

Held by banks, 31 Dec., 03, $30,931,367; 31 Oct., 07, $48,131,162; Increase, $17,189,795.

Balance (held by public) 31 Dec., 03, $9,694,573; 31 Oct., 07, $13,110.382; Increase, $3,415,809.

Specie in Treasury, 31 Dec., 03, $30,626,375; 31 Oct., 07, $46,564,410; Increase, $15,938,035.

Since the end of 1903 the banks have handed in to the treasury in specie, $17,189,795, and have taken Dominion notes therefor. This more than accounts for the gain in specie made by the treasury and fully establishes the right of the banks to insist upon full reserves being carried against the notes. In 1903, when the ministry passed its amendment to the Dominion Note Act, providing that the issue against which 25 per cent. should be held be raised from $20,000,000 to $30.000 000, it was claimed that Canada's credit had got so good that the demand notes of the government would be quite safe and sound even after the reserves held against them had been thus weakened. This argument is beside the point. What every loyal Canadian must stoutly insist upon is that the Dominion notes be kept, not only safe and sound, but convertible on demand into gold. The bankers would no doubt have resisted the proposal four years ago to raise the partially covered issues from $20,000,000 to $30,000,000, had they not agreed with Mr. Fielding that it was conducive to the safety of the Canadian situation for the government to provide a cash reserve against the savings bank deposits. Before the Dominion Note Act was amended the treasury had to carry against the first $30.000,000 of its note issues 25 per cent. of $20,000,000 and $10,000,000, or $15.000,000. After the amendment it had to carry 25 per cent. of $30,000,000, or $7,500,000. There was set free, therefore, of the gold holdings, $7,500,000, which sufficed to provide the savings bank reserve and leave a surplus of a little over a million. No such reason or palliation for a further weakening of the reserve against Dominion notes exists to-day. And any proposal to do so would meet with stubborn opposition from the banks. The Dominion notes have come to be virtually gold certificates and the best interests of the country demand that they be held at that. If the partially covered issue should be again raised doubtless the notes would be safe enough, but their convertibility into gold might be impaired. For example, when the banks had on a special occasion presented a certain amount of Dominion notes at the treasury and drawn gold for them, the treasury cash might reach a point where the government could not affect further redemption of its notes without allowing its reserves to fall below the legal limits. That has happened before, and when it was so difficulties were interposed to the redemption of notes. Canada does not want that to happen again.

H. M. P. ECKARDT.

COURIAN, BABAYAN & CO.
CANADA'S LEADING AND ONLY DIRECT IMPORTERS OF GENUINE
Oriental Rugs and Art Goods
Our stock of genuine Persian, Turkish and East India Rugs and Carpets is the finest and largest in Canada and our prices always the lowest.
Extra large size carpets, suitable for board rooms and Clubs our specialty.
Goods sent on approval to any part of Canada and satisfaction guaranteed.
40 King Street East, (Opposite King Edward Hotel) Toronto

THE BANK CLEARINGS

A GAIN IN EVERY CITY OVER 1906—THE FIGURES BY YEARS AND MONTHS.

The clearings of the Canadian banks for the year 1907 show an increase over the previous year of $256,410,687, or 6.09 per cent., exclusive of Calgary and Edmonton, the two latest additions to the clearing house, which were not in operation during 1906. Every city shows a material gain. The increase has not been in the same proportion as in 1906, when there was a gain of 18.49 per cent. over the year 1905.

The monthly record, which is given in addition to the yearly record, shows that the increases for the first six months were very large in most cases. Outside of Montreal and Toronto in the last six months the losses have not been heavy, compared with the previous year. The figures for the past four years are :

	1904	1905	1906	1907
Montreal	$1,065,067,000	$1,324,313,000	$1,533,597,600	$1,555,712,000
Toronto	842,097,066	1,047,490,701	1,219,125,359	1,228,905,517
Winnipeg	294,601,437	369,868,179	504,585,914	599,667,576
Halifax	90.115,784	89,251,562	91,837,507	93,587,138
Hamilton	59,003,081	68,385,601	78,480,620	88,104,108
St. John	51,422,858	52,836,333	60,024,760	66,150,414
Vancouver	74,029,902	88,460,391	132,606,358	191,734,480
Victoria	33,070,009	36,890,464	45,615,615	55,330,588
Quebec	79,843,927	86,389,081	92,934,213	107,460,897
Ottawa	106,637,587	121,215,777	135,866,734	156,527,805
London	45,552,230	50,429,511	57,863,782	65,760,473
	$2,741,440,881	$3,335,530,600	$3,925,530,309	$4,208,940,996
Calgary				69.745,006
Edmonton				45,716,792
				$4,324,402,794

The figures by months are :—

January.

	1907	1906	Inc.
Montreal ...	131,000,000	129,415,413	1.2
Toronto . .	115,920,789	109,757,368	5.6
Winnipeg ..	44,620,387	35,506,258	25.7
Ottawa	12,938 175	10,388,639	24.5
Vancouver .	13,402,453	8.292,718	61.6
Halifax . .	8,657,571	8,624,413	0.4
Quebec . ..	8,191,643	7,615,055	7.6
Hamilton .	7,001,820	6,337,825	10.5
St. John ..	5,768,012	5,401,698	6.8
London . .	5,777,898	5,053,197	14.2
Victoria . .	3,909,509	3,517,434	11.2
Calgary . .	5,576,115	not in total.	
Edmonton .	3,506,000	not in total.	
	357,183,257	329,910,072	8.3

February.

Montreal ..	107,654,099	121,910,224	11.7
Toronto . .	91,039,861	88,736,612	2.6
Winnipeg ..	35.177.890	26,272,887	33.3
Ottawa . ..	10,573,758	8,885,325	19.
Vancouver .	12,601,515	7,563,087	74,5
Halifax . .	6,183,544	6,758,412	*8.5
Quebec . .	6,713,126	6,131,620	9.5
Hamilton ..	6,108,414	4,782,286	27.7
St. John ..	4,486,578	4.112,407	9.1
London . .	4,526,810	4.044,435	11.9
Victoria ..	3,750,822	2,888,017	29.8
Calgary . .	5,229,950	not in total	
Edmonton .	3,286,615	not in total.	
	288,817,787	282,085,312	2.4

* decrease.

March.

Montreal ..	125,041,649	119,615,094	4.5
Toronto . .	105,319,943	93,327,531	12.8
Winnipeg ..	41,089,493	31,261,634	31.4
Vancouver .	14,587,073	9,382,675	55.5
Ottawa . .	12,717,672	10,572,649	20.3
Halifax . .	6,462,777	6,332,294	2.1
Quebec . .	7,285,282	6,961,283	4.6
Hamilton .	7,270,368	5,743,571	26.6
St, John ..	4,641,425	4,212,249	10.2
Victoria . .	4,059,507	3,873,215	4.8
London . .	5,400,436	4,328,695	24.8
Calgary . .	5,626,209	not in total.	
Edmonton—not in total.			
	333,875,624	295,610,890	12.9

April.

Montreal ..	112,000,000	107,582,686	4.1
Toronto . .	101,544,017	88,218,819	15.1
Winnipeg ..	41,000,000	33,959,258	20.7
Ottawa . .	13,418,758	10,286,578	30.4
Vancouver .	14,860,703	9,102,435	63.3
Quebec . .	7,949.195	6,357,106	25.
Halifax . .	6,870,333	6,423,333	7.0
Hamilton ..	7,233,568	5,660,152	27.8
London . .	5,925, 393	4,377,974	35.4
St, John ..	5,315,075	4,282,298	24.1
Victoria . .	4,554,411	3,272,726	39.2
Calgary . .	6,148,906	not in total.	
Edmonton .	4,275,329	not in total.	
	320,671,453	279,523,365	14.7

May.

Montreal ..	135,587,776	128,938,678	5.2
Toronto . .	107,415,231	98,315,889	9.3
Winnipeg .	54,520,545	39,026,206	39.7
Ottawa . .	13,965,387	10,855,977	28.7
Vancouver .	15,836,774	10,112,408	56.6
Halifax . .	7,731,453	8,594,231	*10.
Quebec . .	8,745,112	7,835,811	11.6
Hamilton .	8,310,370	6,334,623	31.2
London . .	5,669,607	5,227,692	8.5
St. John ..	5,786,404	4,895,783	18.2
Victoria . .	4,853,411	3,325,781	45.9
Calgary . .	6.213,719	3,088.102	101.2
Edmonton .	4,011,476	not in total.	
	368,422,070	323,458,079	13.9

* decrease.

June.

Montreal ..	123,589,767	127,027,778	*2.7
Toronto . .	101,538,611	104,639,579	3.0
Winnipeg ..	48,933,638	37,813,102	29.4
Vancouver	15,578,149	10,252,571	51.9
Ottawa . .	12,421,333	10,105,806	22.9
Halifax . .	7,528,504	8,443,563	3.9
Quebec . ..	9,433,694	8,443,563	11.7
Hamilton .	7,245,612	6,286,257	15.3
St. John ..	5,557,084	4,872,028	14.1
London . .	5,166,003	4,677,098	10.5
Victoria . .	4,848,161	2,992,509	62.
Calgary . .	5,708,026	3,991,086	
Edmonton .	4,000,000	not in total.	
	341,840,556	321,931,064	5.2

* Decrease.

July.

Montreal ..	123,000,000	125,253,269	*1.8
Toronto . .	107,062,498	96,533,252	10.9
Winnipeg ..	51,000,000	42,262,170	20.7
Ottawa . .	13,058,048	11,972,212	9.1
Vancouver	17,771,607	10,565,706	68.2
Halifax . .	9,509,837	7,705,641	23.4
Quebec . ..	9,692,539	8,143,894	19.
Hamilton ..	7,745,410	7,442,431	4.1
St. John ..	6,343,504	5,387,739	17.7
London . .	6,066,975	5,294,870	14.6
Victoria . .	5,208,912	3,849,657	35.3
Calgary a..	6,359,400	4,319,787	47.2
Edmonton a	4,171,280	3,167,009	31.7
	356,459,330	324,410,841	9.9

a Not included in totals for months and seven months ; comparison incomplete.

* Decrease.

August.

Montreal ..	140,000,000	124,783,775	12.2
Toronto . .	95,410,355	90,415,800	5.5
Winnipeg ..	48.827,934	33,778,304	26.2
Vancouver	17,528,199	12,048,239	45.4
Ottawa . .	13,371,590	11,772,499	13.6
Halifax . .	8,611 253	7,924,680	8.7
Quebec . ..	9,342.037	7,619,661	22.6
Hamilton ..	7,162,365	6.345,809	12.9
St. John ..	5,992,793	5,549,958	8.
London . .	5,631.007	4,692,336	20.
Victoria . .	5,026,571	3,791,456	32.6
Calgary . .	5,900,541	4,342,225	35.9
Edmonton a	4,003,395	3,102,514	29.
	356,904,104	313,722,547	13.8

a Not included in month's total.

September.

Montreal ..	125,063,691	120,101,551	4.1
Toronto . .	87,623,537	84,964,129	3.1
Winnipeg ..	44,276,318	42,557,446	4.
Vancouver	18,017,423	11,910,710	51.3
Ottawa . ..	12,601,064	10,774,333	17.
Quebec . ..	8,749,762	7,346,747	19.1
Halifax . .	7,096,514	7,244,996	*2.0
Hamilton ..	6,919,207	6,301,923	9.8
St. John ..	5,444,510	5,228,987	4.1
London . .	4,868,528	4,323,106	12.6
Victoria . .	4,422,859	3,574,997	14.1
Calgary a .	4,813 381	4,183,609	15.1
Edmonton a	3,800,000	2,832,840	34.1
	325,088,407	304,628,925	6.7

a Not included in total.

* Decrease.

October.

Montreal ..	146,794,999	146,186,305	1.8
Toronto . .	108,925,657	116,493,603	*6.5
Winnipeg ..	56,368,303	57,087,988	1.3
Vancouver	18,856,937	13,961,545	35.1
Ottawa . .	13,563,972	12,421,881	9.2
Quebec . ..	10,231,260	8,587,563	19.1
Halifax . .	9,000,660	8,398,677	9.4
Hamilton ..	8,012,730	7,326,402	9.4
St. John ..	5,442,244	5,553.497	*2.
London . .	5,556,361	5,104,695	8.9
Victoria . .	5,304,664	5,678,017	6.6
Calgary a .	5.868,893	5,690,414	3.1
	388,057,787	384,800,173	0.8
Edmonton a	3,653,542	3,316,159	10.2

a Not included in totals.

* Decrease.

November.

Montreal ..	141,104,444	145,929,337	*3.3
Toronto . .	108,195,159	126,591,219	*14.5
Winnipeg ..	66.718,434	63,667,080	4.8
Vancouver	16,999,935	14,321,269	18.7
Ottawa . .	13,915,026	13,952,887	*0.3
Quebec . ..	11,175,919	9,018,303	23.9
Halifax . .	8,579,046	8,134,769	5.5
Hamilton ..	7,950,078	7,851,494	1.3
Calgary a .	6,478,229	6,945,824	*6.7
St. John ..	5,975,010	5,466,394	9.3
London . .	5,558,200	5,376,342	3.4
Victoria . .	5,030,519	4,024,506	25.
Edmonton a	3,932,016	3,726,935	5.5
	391,201,770	404,333,600	*3.2

a Not included in totals ; comparison incomplete.

* Decrease.

December.

			Dec.
Montreal ..	124,877,033	148,052,680	14.7
Toronto . .	98,909,859	115,750,975	14.6
Winnipeg ..	59,182,117	56,393,591	*4.9
Vancouver	15,694,611	15,092,995	*4.0
Ottawa . .	13,419,217	13,877,958	3.3
Quebec . ..	9,951,328	8,857,607	*12.3
Halifax . .	7,954,778	7,866,288	*1.1
Hamilton ..	7,144,172	8,067,847	23.8
St. John ..	5,397,774	6,061,734	12.2
London . .	5,618,955	5,363,312	*4.7
Victoria . .	4,361,242	4,532,240	3.7
Calgary a .	5,821,654		
Edmonton, a	3,708,015		
	352,511,086	389,917,330	9.6

a Not included in totals.

* ~~Increase.~~ Decrease

CANADIAN PACIFIC RAILWAY CO.

ISSUE OF NEW ORDINARY CAPITAL STOCK

NOTICE is hereby given that pursuant to Resolutions passed at the Special General Meeting of Shareholders on 30th December, instant, an issue of $21,336,000 additional Ordinary Capital Stock of the Company, or 243,360 shares of $100 each, has been ordered by the Board of Directors.

The stock will be offered to the Shareholders of record at the closing of the books for the purpose, at par, on the basis of twenty per cent. (or one share in five) of their respective holdings.

The books of the Company will be closed for this purpose in London, New York, and Montreal at 3 p.m. on Monday, January 13th, and re-opened on Monday, 27th January, 1908.

The right to subscribe will expire at 3 p.m. on Wednesday, February 19th, 1908.

Payments will be received at the Bank of Montreal, London, New York or Montreal as follows :

20 p. c. or $20 per share on subscription, on or before February 19th, 1908
20 p. c. or $20 per share April 21st, 1908.
20 p. c. or $20 per share June 19th, 1908.
20 p. c. or $20 per share August 19th, 1908.
20 p. c. or $20 per share October 19th, 1908.

An interest payment of one and one-quarter per cent. will be made in October, 1908, on instalments up to and including that of June 19th, 1908, which have been paid on the due dates, in accordance with the terms of the circular herein referred to. All shares of the issue on which instalments have been paid in full on the due dates will rank for the full dividend accruing for the half year ending December 31st, 1908.

Shareholders may, as a matter of convenience to themselves pay any or all of the instalments before the due dates, and interest at the rate of five per cent. per annum will be allowed on amounts so paid in advance.

A circular containing the terms of subscription and payment and enclosing warrants of subscription will be mailed to the Shareholders after the closing of the books as above stated.

By order of the Board,

CHARLES DRINKWATER Secretary.

Dated at Montreal, 31st December, 1907.

Real Estate and Mortgages.

In order to ascertain the mortgage outlook for the year The Post interviewed several managers of prominent loan companies and requested each to give their opinion upon the situation developed during the past year, from the loan companies' point of view, and also upon the outlook for next year.

Not Unusually Profitable.

Mr. R. S. Hudson, the general manager of the Canada Permanent Mortgage Corporation, was of the opinion that the past year has not been unusually profitable because few companies have had sufficient money to avail themselves of increased interest rates, which have prevailed in the latter part of the year. But the outlook is especially bright in that respect. It goes without saying that farmers generally this year have experienced greater difficulty in providing for payments in reduction of principal money than for some years back. This was owing to failure of crops in Ontario, and to frost and hail in the west. Notwithstanding that more interest has been collected than last year, and almost as much principal.

The Reasons of Tight Money.

Mr. Edward Saunders, the manager of the Canada Landed and National Investment Company, stated that during the past year the loan companies were able to obtain good interest rates, and that payments were good. The outlook for the coming year is promising. Caution will continue to be exercised by the loan companies, as the future is still uncertain. It is likely that companies which have good facilities for obtaining money and investing it, will squeeze out those concerns which have been jumping in and lending all over at absurd rates on securities that no company should touch. So the field will to a greater extent be left to the older companies, who have the organization and the inspection, etc., which is necessary to permanent existence in the loan business.

So far as the northwest is concerned, the people who do business there must come to the conclusion that there is a great deal of poor land there, the same as in old Ontario. High rates and scarce money are good things for any new country; it teaches the new settler to be frugal and careful.

A Freak Year in the West.

J. M. McWhinney, the new general manager of the Union Trust Company, who has arrived in the city from Winnipeg, is an enthusiastic believer in the great Canadian west.

His company has a large amount of mortgage investments in the best districts of Manitoba, Saskatchewan and Alberta and Mr. McWhinney, while manager of their Winnipeg branch, traveled extensively over these provinces, and in conversation with The Financial Post said that in the west the past year was known as the "freak" year. The winter of 1906-7 was a very severe one, and had been followed by an unusually late spring, particularly in Saskatchewan. This in turn had been followed by incessant summer rains, which continued during the whole of the months of July and August and prevented the grain from ripening in time to cut before the first frost, which comes about the middle of September. A fair crop, however, had been harvested in Manitoba and Western Saskatchewan and while the whole was not up to the average, there was no reason for alarm as to the future.

The past year, of course, had been hard on the new settlers, who were looking forward to their first crop, but the older settlers, he thinks, were more or less prepared, and considering that the six preceding years all gave bumper crops the west has still a good record to its credit.

Mr. McWhinney thinks that there is yet money to be made in the west and draws attention to the fact that the railroads are making considerable extensions to their systems and planning new lines through undeveloped country, and when it is considered that each new line of railroad more than doubles the value of all land in the neighborhood, it is easily seen that this must be a source of considerable wealth to the districts affected.

Any person who has not seen the west for the past, say three years, would be surprised at the changes that have taken place. The prairie is rapidly being replaced by cultivated farms with in many cases, substantial buildings. Winnipeg has made marvellous growth during this time and the same can be said of Regina, Edmonton, Calgary, Moose Jaw, Saskatoon, and all the other large centres, and the fact that last year's crop was not up to the average of preceding years should not retard settlement or development, but it will on the other hand rather be the means of adjusting and regulating values according to their true worth. He was much struck with the self-confident and self-reliant feeling of the people in the west and states that nothing can now prevent rapid settlement and development and future prosperity of the country.

Rates Will Rule High.

Mr. V. B. Wadsworth, the manager of the London and Canadian Loan and Agency Co., said : "So far as the company's loan interests are concerned, the past year has been satisfactory in every respect. Interest payments have been promptly met and interest returns have been high. Regarding the outlook for next year the demand for money is very large and rates of interest for money will continue to rule high."

More Conservative Than Before.

W. Pemberton Page, the manager of the Sun and Hastings Savings and Loan Co., said that the past year had been very satisfactory. Payments were promptly made both on principal and interest. There has been a little falling off in December payments, but it has not been severe. Taking the year through it is quite as good as last year. Next year there will probably be a large demand for money and the loan companies will be more conservative than in the past. The stringency in money markets will affect the prospects of the companies. Not as many principal payments have been made as usual and not so many debentures have been sold. So while interest on money may be high yet for the first six month at least will find the loan companies unable to supply the money. For the first half of the year, business will likely be quiet in the loan companies; after that it will improve.

Remunerative Sales.

Mr. W. S. Dinnick, the managing director of the Standard Loan Company, expressed this view :

"For those loan companies who have had money for investment, excellent loans have been available not only from the point of security, but also remunerative rates have been secured. The unusual activity during the past two years in the west and the inflation of values resulting tended to make some of the loan companies take a very conservative stand in the matter of investing their funds. Notwithstanding the extreme scarcity of money in the west, interest and principal payments have been well met. Ontario has offered a greater opportunity than ever before for loan companies to secure good investments. We have found that investors appreciate more than ever the security of loan company debentures as investments and in spite of the scarcity of money the number of our debentures sold has been greater than ever. The prospect for the year 1908 is from every point of view, so far as the loan companies are concerned, one of confidence, and there is every reason to believe that the legitimate borrower on realty will be able to secure all the money he needs. But there will be no money for the speculator. The Standard Loan Company has during the year purchased the assets of the Canadian Savings Company, which increased its assets by $800,000 and we expect by Feb. 15 to have concluded the purchase of the Acme Loan & Savings Co., which will increase our assets by an additional quarter of a million. These are the only important changes which have been made in the organization of Canadian loan companies in the year just closed."

THE CROP REPORTS.

Stocks in Store at Fort William—A Comparison With Last Year.

In connection with the greater details in Mr. Stoddart's review of the crop the following figures will be of interest :

Manitoba—Final Government returns :

Crop—	1906.	1907.
Wheat	61.250,413	39,688,266
Oats	50,692,977	42,233,149
Barley	17,532,553	16,752,724

Saskatchewan—Harvest estimate for 1907 :—

Wheat	37,040,098	28,042,106
Oats	32,965,528	29,064,679
Barley	1,816,415	1,903,072

Alberta—approximate :—

Wheat	3,240,000	4,000,000
Oats	13,192,150	15,000,000
Barley	2,201,179	2,500,000

Stocks in Fort William and Port Arthur, Dec. 27th :—

Wheat—	Bushels. 1907.	1906
No. 1 hard	34,789	144,258
No. 1 N.	472,853	517,030
No. 2 N.	1,154,972	810,897
No. 3 N.	1,121,448	131,702
No. 4 N.	622,254	68,499
No. 5 N.	346,798	
Other grades ...	2,098,492	377,322
	5,851,606	2,049,708
Previous week ...	4,626,129	1,967,175
Increase for week	1,225,177	82,533
Oats	1,840,631	465,769
Barley	545,247	99,210
Flax	409,100	100,312

Shipments from Fort William and Port Arthur during the week :—

1907	295,661
1906	531,574

SOME CANADIAN STATISTICS.

	1906. $	1907. $
Imports year ending Sept. 20...	296,359,543	362,459,907
Exports first 8 months fiscal year	231,732,500	259,945,184
Exports year ending Sept. 30		244,000,000
Exports first 8 months fiscal year	196,850,784	191,878,393
Immigration, 11 months	206,498	267,675
Bank cap., Nov. 30th	94,665,447	95,944,826
Largest note cirl'tion during year	86,304,765	85,991,253
Commer'l loans - Canada	538,695,115	570,896,776
Call loans, Canada	56,440,834	45,733,765
Commer'l loans abroad	35,088,827	23,576,315
Call loans, abroad	60,919,335	41,198,293
Deposits, Can., Nov. 30	583,698,906	569,431,993

British returns for eleven months ended November 30 give imports from Canada :—

	1906.	1907.
Wheat	$18,354,160	$22,932,800
Flour	4,157,530	4,208,365
Oats	1,793,040	2,372,775
Peas	2,787,370	3,090,015
Cattle	12,851,455	10,219,605

COBALT SHIPMENTS.

	Tons.	Value.
1907	14,080	$5,650,000
1906	5,129	3,900.000
1905	2,144	1,473,196
1904	158	136,217

Price of Silver.

1907	70⅛	52½
1906	71¾	62⅝
1905	65⅝	55
1904	62	53⅜
1903	61¾	47
1902	56½	47
1901	64	54¼
1900	65⅛	58⅞

HIGH GRADE
MUNICIPAL DEBENTURES
Suitable for trustee or private investments can now be secured at a price to net the investor an exceedingly high rate of interest. Particulars of suitable issues gladly furnished on application.
Write for New Year's List.
WOOD, GUNDY & CO.
6 KING ST. W. TORONTO

F. B. McCurdy & Company,
Members Montreal Stock Exchange
4 Hospital Street, Montreal 185 Hollis Street, Halifax
Orders executed on Montreal, New York, Boston, Toronto, London and Glasgow Stock Exchanges.
DIRECT PRIVATE WIRES

To Private Trustees
If you are finding your duties onerous and troublesome to execute, advise with the oldest Trust Company in Canada.
THE
TORONTO GENERAL TRUSTS CORPORATION,
Established 1882
Toronto Ottawa Winnipeg

THE TITLE & TRUST CO.
Assignees, Trustees, Executors, Administrators,
REAL ESTATE TITLES GUARANTEED
E. F. B. Johnston, K.C. Pres. John J. Gibson, Mgr.

INVESTMENTS
The Sun and Hastings Savings and Loan Co. of Ontario, Offers Absolute Security.
Capital Stock Draws a Dividend of Six per cent. per annum, payable Half-Yearly.
Debentures sold drawing good rate of interest (4 to 5 per cent) according to length of term.
Deposits taken. Interest allowed from date of deposit, (4 per cent).
CORRESPONDENCE WILL RECEIVE PROMPT ATTENTION.
W. PEMBERTON PAGE, Manager,
Confederation Life Building, Toronto
W. VANDUZEN, President AMBROSE KENT, Vice-President

James W. Baillie & Co.,
Members Toronto Stock Exchange
10 King Street West, Toronto
Orders executed on all the leading stock exchanges.
Dealers in high grade investment securities.
Reports prepared upon request with regard to different securities.

Baillie, Wood & Croft,
Members Toronto Stock Exohange
Particulars Furnished in regard to high-class Investment Securities, on request.
42 King Street West, Toronto

EXPORTS AND IMPORTS

EXPORTS

Values of exports from Canada during the months of January to November in the years 1906 and 1907.

Months	Domestic	Foreign	Coin and Bullion	Total Exports
1906				
January	$17,653,704	$ 855,571	$3,896,137	$22,405,412
February	12,395,587	394,844	571,046	13,361,477
March	13,164,475	300,890	122,221	13.587,586
April	13,362,662	246,098	2,131,717	15,740,477
May	18,476,815	686,520	1,252,429	20,415,764
June	27,249,984	2,049,741	1,473,443	30,773,168
July	16,549,548	1,269,368	525,190	18,344,106
August	24,050,561	1,657,800	2,163,712	27,872,073
September	21,337,915	2,644.498	94,881	24,077,294
October	26,880,090	1,838,350	1,802,864	30.521,304
November	26,393,965	1,163,855	1,548,758	29,106,578
Total	$217,515,306	$13,107,535	$15,582,398	$246,205,239
[illegible] **1907**				
January	$16,721,081	$ 923,342	$4,612,898	$22,257,321
February	12,620,857	339,376	735,918	13,696,151
March	14,760,273	543,963	825,769	16,130,005
April	9,751,849	352,456	2,286,377	12,390,682
May	16,905,057	815,031	818,579	18,538,667
June	19,309,851	1,573,571	1,081,706	21,965,128
July	27,723,599	1,387,901	346,968	29,458,468
August	26,179,698	1,472,448	158,910	27,811 056
September	25,703,586	1,619,391	703,175	28,026,152
October	23,697,148	2,925,930	414,353	27,037,431
November	23 162,891	1,026,974	2,460,944	26,650,809
Total	$216,535,790	$12,980,383	14,445,597	$243,961,870

IMPORTS

Value of imports into Canada during the months of January to November in the years 1906 and 1907.

Months	Dutiable	Free	Coin and Bullion	Total	Duty Collected
1906					
January	$13,166,977	$ 9,278,206	$ 136,953	$22,582,136	$3,604,752
February	12,826,439	8,246,287	225,960	21,298,686	3,492,948
March	15,469,098	9,419,710	114,945	25,003,753	4,200,562
April	14,172,796	8,873,843	96,534	23,143,173	3,850.865
May	16,479,994	10,179,967	416,209	27,076,170	4,204.654
June	18,203,642	13,142,626	1,574,713	32,920,981	4,754,942
July	13,438,943	9,830,529	382,650	23,652,122	3,372,927
August	17,240,532	10,677,574	274,685	28,192,791	4 533,995
September	17,323,749	9,896,917	1,075,948	28,296,614	4,680,268
October	17,741,256	11,379,312	2,609,263	31,729,831	4,688,244
November	21,091,266	13,953,590	1,675,962	36,720,818	5,350,108
Total	$177,054,692	$113,878,561	$8,583,822	$300 517,075	$46,834,265
1907					
January	$15,519,883	$10,921,364	$ 90,731	$26,531,978	[illegible]096,788
February	16,012,541	9,192,271	203,254	25,408,066	4,293,297
March	21,944,669	14,037,871	859,536	36,842,076	5,911,820
April	16,317,187	11,357,678	660,422	28,335 287	4,330,018
May	20,023,760	13,911,965	871,515	34,807,240	5,258,673
June	20 222,272	13,720,915	160,398	24,103,585	5,281,575
July	21,203 942	12,740,267	613,789	34,557,998	5,528,467
August	20,865,771	12,389,603	664,246	33,919,620	5 571,337
September	18,791,024	9,606,454	349 912	28,747,390	5,082,731
October	19,289,753	12,194,747	440,315	31,924,815	5,119,136
November	19 013,398	12,420,357	1,665,594	33,099,349	4 940 522
Total	$209,204 200	$132,493,492	$6,580,712	$344 278,404	$55,414 364

IMMIGRATION RETURNS.

Year Ending June 30th.

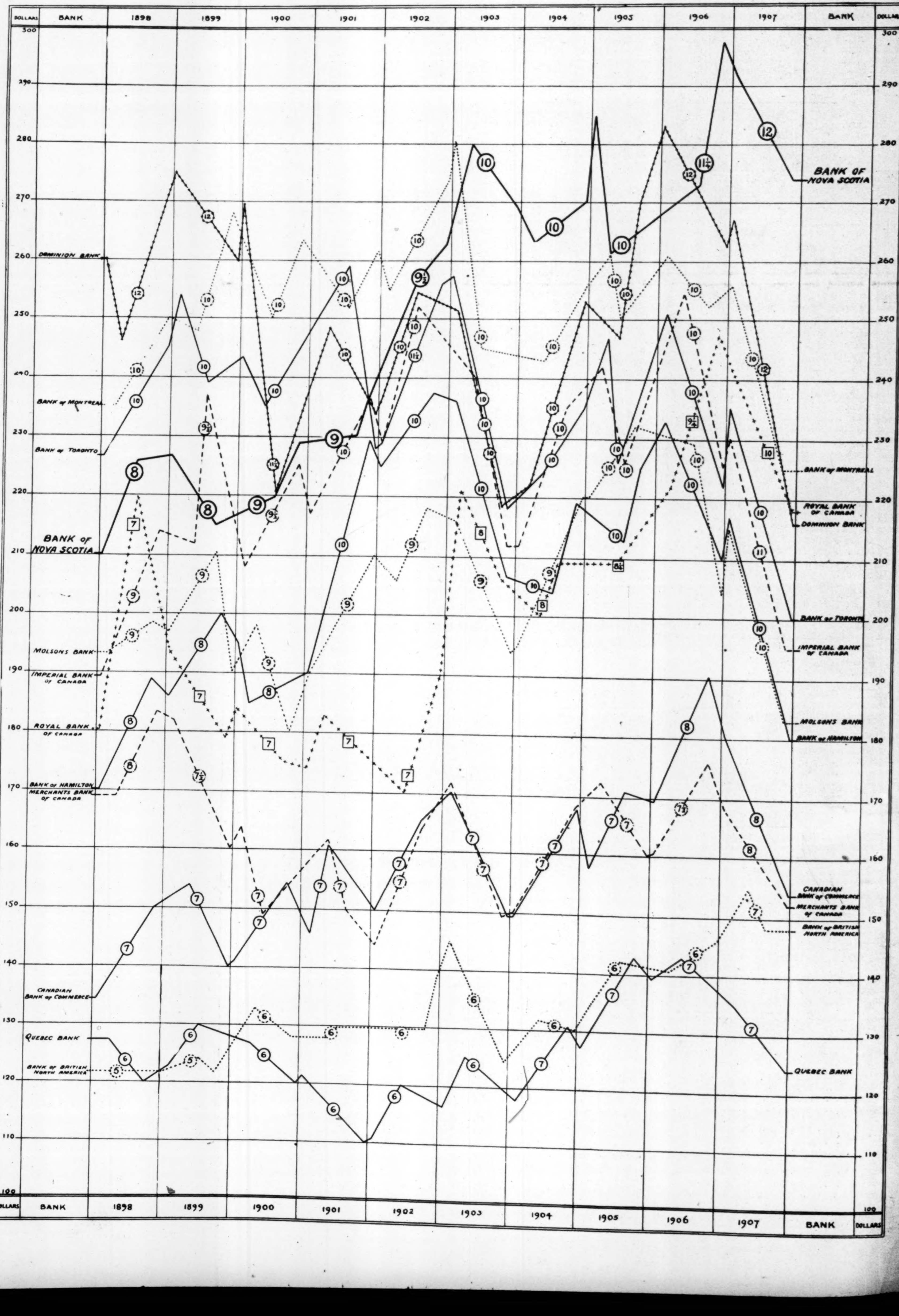
From	1902.	1903.	1904.	1905.	1906.	1907.
Great Britain	17,259	41,792	50,374	65,359	86,796	120,779
Europe	23,732	370,099	34,785	37,255	44,349	74 607
United States	26,388	49,473	45,171	43,652	57,919	56,652
	67,379	128,364	130,330	146,266	189,064	252,036

Number of immigrants arrived between 30th June and 30th November, 1907, was 98,230. Eleven months, 1906, 206,498. Eleven months, 1907, 267,675.

A CHART OF BANK STOCKS

THE PRICES GENERALLY IN 1907 ARE LOWER THAN 1898 — A CHART SHOWING THE STOCK MOVEMENT IN THE PAST DECADE.

The following chart shows the market fluctuations of twelve Canadian bank stocks during the past decade. It is a notable fact that in spite of increases in dividends in all excepting four institutions, the prices at the low point of 1907 were below the low point of 1898, except in one instance. It is indicative of the state of the Canadian stock market during the past year, when forced sales by investors established new low figures. The intrinsic condition of our banks has greatly improved and the suggestion for investment opportunity is obvious.



RAILWAY CONSTRUCTION IN 1908.

Probably the Greatest in Our History—The G.T.P. Expenditures.

Railway construction during 1908 will if the supply of labor permits be the greatest in the history of the country, says the Toronto Globe. The new funds secured by the Canadian Pacific Railway places that company in an excellent position to resume the construction of extensions which were held up on account The Grand Trunk Pacific has completed of the high price of labor and material. about 500 miles of the 800 from Winnipeg to Edmonton, and has finished the grading of 200 more. With an adequate supply of labor the line can be completed from Winnipeg to the Yellowhead Pass by the end of 1908. The construction will not be interfered with on account of lack of finances. Senator Cox stated on October 4, at Calgary, that seventeen million or eighteen million was on deposit in London, to the credit of the company for construction work. The portion of the eastern division, the construction of which is in charge of the Commissioners of the Transcontinental Railway, now under contract, is 859 miles. By the opening of the season of 1908, it is estimated that thirty-five million dollars will have been spent on the entire construction work on both divisions. The sum which remains to be spent is about one hundred and twenty-five million. In order that the work shall be completed by the time specified, New Year's Day, 1912, an expenditure of thirty million dollars a year by the Transcontinental Commission and the Grand Trunk Pacific will be necessary.

[illegible]NERAL PRODUCTION.

On[illegible] Shows Great Advances in Re[illegible] Years—Output in 1907 Will Exceed 1906.

Returns to the Bureau of Mines show that the output of the metalliferous mines and works in the Province of Ontario for the nine months ending September 30, 1907, was as follows: Silver, ounces, 6 919,987; copper, tons, 5,111; nickel, tons, 8,087; iron ore, tons, 141,719; pig iron, tons, 180,663; steel, tons, 120,077; zinc ore, tons, 400. The silver output shows a remarkable advance, the output for the period covered by the return exceeding the total output for last year by 1,518,221 ounces. The value of the 1906 output was $3,667,551 and that of the output for the first nine months of this year $4,312,000. There will also be a considerable increase in the output of copper, iron ore and pig iron, if the rate of production continues to be the same during remaining portion of the year.

The report of the Ontario Bureau of Mines for 1906, shows the output of mines and mineral works in Ontario during 1906 to be $22,388,383, computed at the selling price of the products at the mines or works, and not taking into account the additional values induced by subsequent refinement or treatment. This is an increase of $4,534,087, or about 25 per cent., as compared with the production of 1905.

The chief increase is in metallic minerals, where the gain is due to two factors, the development of silver and nickel mining and the increased activity in the smelting of pig iron. Among the non-metallic minerals, the chief gains are in the production of Portland cement, common building brick and natural gas.

The greatest diversity of mineral production and the steady expansion of the industry is shown in the following table showing the production during 1904 and 1906:

Product—	1904.	1906.
Metallic—		
Gold	$ 40.000	$ 66,193
Silver	111,887	3,689,286
Platinum	10,452	
Palladium	18,564	5,652
Cobalt	36,620	80,704
Copper	297,126	960 813
Nickel	1,516,747	3,839,419
Iron ore	108,068	301,032
Pig iron	1,811,664	4,554,247
Steel	1,188,349	....
Lead ore	11.000	....
Pig lead	2.500	93,500
Zinc ore	3,700	6.000
	$5,156,677	$13,596,846
Less value Ontario iron ore smelted into pig iron, and pig iron converted into steel	250,000	423.766
Net metallic production	$4,906,677	$13,353,080
Non-metallic—		
Actin ite	$ 102	$.........
Arsenic	903	15,858
Brick, common	1,430,000	2,157 000
Brick, paving	55,450	45,000
Brick, pressed	226,750	337,795
Building and crushed stone	700,000	660,000
Carbide of calcium	152,295	162,780
Cement, natural rock	65,250	6,000
Cement, Portland	1,239,971	2,381,014
Corundum	150,645	262,448
Feldspar	21,966	43,849
Graphite	4,700	15,000
Gypsum	10,674	6,605
Iron pyrites	43,716	40 583
Lime	406,800	496,785
Mica	37,847	69,041
Natural gas	253,524	533,446
Peat fuel	2,400	[illegible] 900
Petroleum products	904,437	761.546
Pottery	100,000	65,000
Quartz	....	65,765
Salt	362,621	367,738
Sewer pipe	283,000	279,620
Sodalite	....	6,000
Talc	2,919	3,030
Tile, drain	210,000	252,500
Total non-metallic production	$6,665,970	$9,035,303
Add metallic production	4,906,677	13,353,080
Total production	$11,572,647	$22,388,383

CHARTERED ACCOUNTANTS.

ROBERT MILLER
C.A., CA., (Scotland) F.C.A. (Can.)
Commercial and Municipal Audits and Investigations
17 and 18 SOVEREIGN BANK BUILDINGS, MONTREAL

Professional Directory

CHARTERED ACCOUNTANTS

TORONTO.

Edwards & Morgan. 20 King St. W.
Jenkins & Hardy. 15½ Toronto St. E.
A. E. Neff & Co. 26 Wellington E.
Geo. O. Merson & Co. 16 King St. W.
Ralph E. Young. Canada Life Bldg.

MONTREAL.

Robert Miller. Sovereign Bk. Bldg.
Shannon & Mundy. 107 St. James St.

WINNIPEG.

Edwards & Ronald. Canada Life Bldg.

Detective Agencies

TORONTO.

Tor. Detective Agency. 36 Toronto St.

BOND MARKET REVIEW

MANY DEALERS BELIEVE THAT THE LOW LEVEL HAS BEEN REACHED.

A Dull Year in Company Bonds—Municipal Issues More Active — Severe Declines in Market Prices—A Good time for the Investor and a Bad One for the Corporation—Yield Improves During the Year One Per cent.—Views of Leading Canadian Dealers—Sales for the Year.

The past year in the bond market has been an extremely favorable one for the investor, but it has not been a satisfactory twelve month either for the corporation or the dealer. The activity in Canada has been confined entirely to municipal debentures. The depreciation in the price of municipal issues has been great, averaging over ten per cent. The increase in the yied during the year for the investor has advanced in some cases 1 per cent. In corporation bonds there have been few new issues and such as were issued chiefly C.P.R. and C.N.R. debenture stock, Montreal Power and Montreal Street Railway bonds, Penman Manufacturing Company bonds, were marketed in Great Britain.

Municipal bonds marketed this year total fully as large a sum as in other years, but the municipalities have received considerably less money for their issues than in any year in the last decade at least. The shrinkage in prices was due to the tightness of money, which forced all classes of good securities to unprecedented levels. Bonds have been sold during the year by municipalities to yield rates varying from 4 per cent. to 7 per cent., according to the security. The city of Toronto and the city of Fredericton stand out as the only cities which could command a 4 per cent. basis while only one small Western municipality was reduced to a 7 per cent. basis. The city of Fredericton bonds were sold locally to investors who were not awake to the market value of bonds.

Several large blocks have been marketed during the year. In February, the city of St. John, N.B., sold to the Canadian Bank of Commerce $721,000 4 per cent. 40 years, on a basis of 97.50, which yields 4⅛ per cent. In March, the city of Winnipeg sold to Coates, Son & Co., London, $1,594,506 4 per cents., with varying terms, on a basis of 97.27, to yield 4.48. In September the city of Edmonton sold $679,873 5 per cents., 20, 30 and 40 years, to Edinburgh parties, at 93, which yields 5½ per cent. In November, the city of Vancouver sold to the Dominion Securities Corporation $1,350,625 4 per cents. 20, 30 and 40 years, at 85, which yields 5 per cent.

The average price for a good city or town seems to be at a figure which will yield in the neighborhood of 5⅛ per cent. This means a drop of from ten to fifteen points in prices of municipal bonds during the year. Of course it went very much against the grain of municipalities to see prices drop so.

Many municipalities refused to market their bonds till the banks or other creditors were found to press for money. Then either the bonds were sold at a figure lower than could have been earlier obtained or a temporary loan was effected. In the case of the city of Ottawa and the city of Winnipeg, the short-term loan idea did not result profitably as the municipalities agreed to pay one per cent. higher than the Bank of England rate, and have, therefore, for some time been paying 8 per cent. When these loans run out it is quite possible in almost every case the municipalities will find it would have been better to have taken the market in the first place, when money was urgently needed.

In a number of cases municipalities attempted to sell their issues locally. Occasionally where the issue at stake was small the plan succeeded, but where the bonds thus offered amounted to a large block, in every case the plan failed.

While the number of bonds sold this year has been large, yet there still remains over the market a large number which will likely offset to a considerable extent any improving tendencies which may arise in the next few months.

A Closer Alliance With London.

Mr. W. H. Lyon, of the Dominion Securities Corporation, writes:

"When the Dominion Securities Corporation has tabulated its records of Canadian bond issues in 1907, I expect the totals to show an increase in the amount of municipal and a decrease in the amount of corporation issues. In 1906 many municipalities withheld their bonds expecting a better market. The pressure for money forced them on the markets at much lower prices than prevailed in 1906. Private enterprise more readily adapts itself to conditions. The corporations for the most part have spent money only on work they were committed to before the severe financial strain.

Though the municipalities have not quite caught up yet, they are in a much better condition than at the beginning of the year. There is no sign that the corporations will spend money for anything beyond necessities until the financial footing is much sounder.

It would be absurd to predict anything of Canada alone. The future course of financial matters here depends on world wide conditions. Since Canadian financial institutions are skillfully administered and enterprise in the main wisely managed, local conditions are likely to continue to compare favorably with general conditions.

For all the difficulties Canada has not felt nearly the acute stress of the United States. This obviously indicating a sound condition in the Dominion, has given British investors an added confidence in Canadian securities. In London these securities, of course, have to compete in a world financial market. However, with the assurance of sound management in Canada, if the securities are presented by responsible people in forms attractive to the British investor, the alliance of Canadian enterprise with London capital will grow constantly closer."

Bottom Has Been Touched.

Mr. Morgan Jellatt, a member of the bond department of the well-known bond house, Aemelius Jarvis & Co., gives an interesting review of the Canadian bond situation in the following article:

"The past year has certainly been an unsatisfactory one from the standpoint of the bond houses. The first nine months of the year were marked by a continual drop in prices for municipals and a diminution of demand. This rapid decline, and the high rates for money, and latterly almost an impossibility of obtaining that commodity, virtually compelled the bond houses to tender for bond and purchase outright only when they had them sold. Tenders received by the municipalities were at such a recession from the normal market prices that the municipalities were iaturally averse to selling their usual 10, 20, 30 or 40-year securities on such a basis. Temporary loans were obtained from the banks wherever possible, to tide over the money stringency, and the bad market, and a great many of these loans are still extant. In some cases municipalities have been compelled by their banks to realize upon their bonds, much to their disgust, but greatly to the advantage of the purchaser. Several municipalities, such as Vancouver and Winnipeg, resorted to the method adopted by so many corporations, viz., issuing short-term notes.

As regards the coming year, it is scarcely reasonable to think that the banks will develop into bond buyers. They have come through the financial turmoil in good shape, and no doubt today are in an excellent condition; but, until the result of next year's crop is assured, the probabilities are that they will maintain more or less the entrenched position in which they now find themselves.

As for the insurance companies, most of them, having a clause in their policies providing for loans to the policyholders at a normal rate of interest, have found a heavy drain upon their funds from this direction, because of the high rate for money charged by the banks. These loans will scarcely be liquidated so long as the bank rate for money keeps up, but it is just possible that premium payments the coming year may be used largely in the purchase of municipal bonds on account of the especially tempting rates that prevail. The proposed new Insurance Act will in all likelihood tend to confine the companies to more conservative investments. The discrimination in the permissible investments in corporation bonds, preferred and common stock, is such that it would be calculated to turn the attention of the insurance companies more towards municipal bonds. This should conduce to a somewhat better municipal bond market, especially when the effects of the financial fracas have passed away and the frenzied figures of the high financiers are reduced to their lowest terms and money is obtainable for purposes that are legitimate, and at rates that are rational.

But, again, an improved market for municipal bonds would immediately be met by a tremendous volume of municipal bonds which have been held back and used as collateral for the obtaining of temporary loans. The result would be that any improvement in the price of such bonds would be but very gradual,

Corporation bonds during the year 1906 held their ground much better than municipals, but interest in them practically died out, and beyond a certain activity in the South American corporation bonds, Rio de Janeiro and Sao Paulo, and a slight interest in Mexican Power bonds, transactions were of no account. Unlisted corporation bonds shared the same fate, and to-day there is distinctly "nothing doing" in that direction. If any activity develops in corporation bonds during the coming year, it will probably be because of either of two things—a decided rise in the municipal market, or a drop in the corporation market.

During the past few years increasing interest has been shown in Western Canadian municipal bonds, which, of course, was only natural on account of the progress and growth of the country. The alarming reports which went abroad in the early fall about the condition of the crops in that country resulted in the firm sending a member of its bond department on a thorough tour of that country to report upon it. He returned but a few weeks since, saying that a very wrong impression prevails as to the state of affairs out there. By many it is thought that the whole country is suffering severely from the effects of frost and hail. This is far from being the case. Hail and untimely frost there certainly were, but the districts which were seriously affected by them are very small. The country which depended entirely upon wheat, naturally, felt the visitations most, but where mixed farming and ranching were carried on the situation was saved. Where the grain was of such a poor quality that it was not advisable to thresh and market it, it was used for feed. Average up the wheat produced this year the country over, and it will be found to grade lower than last year, but it will return about the same in hard dollars and cents. It behooves the investor or intending investor in Western municipal bonds to consult the people who know the real situation, and act on their advice; for excellent opportunities in Western bonds to-day await the man with the money, and it is simply a case of discrimination in the placing of funds.

Regarding the West as a whole, the future is beyond question, and it is more or less—mostly more—a question of capital. The country, the same as any new country, and especially that country, as it is situated to-day, needs capital. Let that capital be provided, and Western Canada will prove to be all that has been said of it, and more.

It seems to us safe to say that, while it will be quite a few years before the bond market reaches the height at which it stood a few years ago, still we think that the bottom has been touched."

A Wide Market Likely.

Mr. W. C. Brent, on the municipal debenture outlook says:

"During the past seven years there has been a continual and steady decline in the price of municipal securities, the greatest reduction having taken place within the last twelve months. The causes of this decline have been quite apparent and have been the subject of much discussion from time to time. It is thought that the present about marks the turning point, although it is not expected that the high prices formerly prevailing for this class of security will again be in evidence for a considerable time, and then only when a combination of circumstances peculiarly favorable to municipals brings about this condition.

While the ordinary indices of commerce point to a contraction in trade the fundamental conditions existing are of such a character one cannot possibly conclude that the same is likely to be either severe or extended. It is true there is a marked scarcity of money, but at the same time this feature has not affected Canada to the evident extent that it has other countries. This general contraction, however, will likely be sufficient in the end to cause large accumulations of money, and with the shaking that confidence has had this accumulated capital will naturally influence financial institutions towards the more conservative lines of securities, especially in view of the very favorable rates now obtainable on municipal debentures of all classes. It is not likely that the combination of circumstances which some ten years ago brought about very high prices for municipal securities will occur again for a long period in this country, but the present conditions indicate several very favorable features which should tend to increase materially the demand for this class of security. Private investors are showing their appreciation of the excellent quality of an investment in municipals and in considering the immediate outlook this feature looms large as those who have for the first time made purchases cannot fail to be impressed with their favorable points and will in all probability become more inclined towards this form of investment. This will have the effect of broadening the market materially and when financial institutions (who are for various reasons now out of the market) again become buyers, there should be a demand which ought to gradually absorb the floating supply.

Municipalities, however, cannot hope to obtain higher figures for their bonds for a considerable time to come as it will be a long period before the demand will exceed the supply and meanwhile prices cannot improve materially. There is very little chance of a reduction in call rates. After the first of the year the supply of call money may be a little more plentiful, but that is the best that can be hoped for and with rates ruling at from 6½ per cent. to 7 per cent. it can be readily seen that there is very little encouragement to brokers with a market so narrow to take on large blocks of securities.

Prior to the introduction of the Insurance Bill now before the Dominion House it was generally thought that the measure would contain features more favorable to municipals than is the case. It is not likely, however, that the changes suggested by the bill will to any great extent improve the demand. An improvement must come from large accumulations of money unable to find safe and remunerative employment.

Another favorable feature which will go a long way to improve conditions is the growing demand for our securities in outside markets. Especially is this the case in the financial centres of England and Scotland. It is safe to say that more bonds of all classes have found their way to the Old Country in the past three years than was the case in the previous ten years. This desirable result has been brought about by a better understanding on the part of English investors as to what we have to offer and as on the whole these investments have turned out satisfactorily an increased and continued demand may be looked for. The timely halt which has been called both in business and trade will undoubtedly have a favorable bearing on municipal securities. Generally speaking, the outlook is encouraging and the increased interest on the part of private investors should have the effect in any case of eventually creating a much wider market."

The following bonds have been marketed in the year 1907. This list is probably the most complete list compiled in Canada, yet it is possible that some issues are not included:

Municipality	Amt.	Rate.	Due.	Purchaser.
JANUARY.				
Montreal	$ 275,000	4%	30 years.	R. Wilson, Smith & Co.
Vancouver	315,825	4	Various.	Dominion Securities Corp.
Kamloops	20,000	5	40 years.	Bank of Hamilton.
Manitoba Drainage	274,000	4	30 years.	R. Wilson Smith.
Vegreville, Alta.	8,000	5	20 instls.	W. C. Brent.
Warman, Man.	5,000	5	10 instls.	W. C. Brent.
Brandon	165,000	5	20 years.	Wood, Gundy & Co.
Stratford	20,522	4½	15 years.	Wood, Gundy & Co.
Cardston	30,000	6	15 instls.	Wood, Gundy & Co.
St. Catharines	30,000	4½	20 years.	Wood, Gundy & Co.
Cornwall	5,300	4½	20 instls.	W. C. Brent.
Aylmer	7,000	4½	10 instls.	W. C. Brent.
Petrolia	24,553	4&4½	20, 30 instls.	W. C. Brent.
Claresholm	12,000	5	20 instls.	W. C. Brent.
FEBRUARY.				
Brockville	15,000	4%	20 instls.	Wood, Gundy & Co.
County of Renfrew	14 000	4	20 instls.	Aemilius Jarvis & Co.
St. John, N.B.	721,000	4	1946.	Canadian Bank of Com.
Berlin	13,612	4½	30 instls.	Aemilius Jarvis & Co.
Picton	15,000	4	30 instls..	Aemilius Jarvis & Co.
Dresden	4,666	4½	15 instls.	J. W. Sharpe.
St. Mary's	23.636	4	18 instls.	Mutual Life of Canada.
Red Deer, S.D.	35,000	5	18 instls.	Mutual Life of Canada.
Virden, S.D.	5,000	5	20 instls.	G. A. Stimson & Co.
Edmonton	815,487	4½&5	Various.	Dominion Securities Corp.
Port Elgin	32,500	4½	30 years.	Bank of Hamilton.
Wapella	4,000	6	20 instls.	O. Leger, Montreal.
Three Rivers	25,000	4½	50 years.	Banque d'Hochelaga.
Dutton	5,000	4	10 instls.	G. A. Stimson & Co.
Parry Sound	10,000	4½	20 instls.	Wood, Gundy & Co.
Smith's Falls	45,000	4½	10 instls.	Wm. C. Brent.
Morris Tp.	6,812	4½	20 instls.	Wm. C. Brent.
MARCH.				
Winnipeg	$1,594,506	4%	Various.	Coates, Son & Co., London.
Prince Albert Schools	5,100	5		Northern Bank.
Regina	180.000	4½	15&20 instls.	Dominion Securities Corp.
Stratford	18,000	4½	29 years.	W. C. Brent.
London	271,553	4	10 instls.	Wood, Gundy & Co.
London	27,000	4	30 years.	Wood, Gundy & Co.
Moose Jaw	109,000	5	50 instls.	Aemilius Jarvis & Co.
Moose Jaw	26,865	5	10 instls.	Aemilius Jarvis & Co.
Arnprior	67,324	4½	20 years.	W. C. Brent.
Hawkesbury	9,543	4	27 instls.	Imperial Bank.
Didsbury, S.D.	18,000	5	30 instls.	W. C. Brent.
Berlin	34,000	4½	30, 20, 10 instls.	Local purchaser.
York Township	17,000	4½	30 instls.	G. A. Stimson & Co.
Brandon	180,000	5	20 years.	Imperial Bank of Canada.
Quebec	150,000			N. W. Harris & Co.
Morrisburg	75,388	4½	39 instls.	Dominion Securities Corp.
Lethbridge	40,000	4½	40 instls.	Wood, Gundy & Co.
Lethbridge	27,403	6	30 instls.	Wood, Gundy & Co.
Lethbridge	2,516	6	10 instls.	Wood, Gundy & Co.
Macleod	25,000	5	40 years.	Wood, Gundy & Co.
Tuckersmith	15,000	4½	20 instls.	Wood, Gundy & Co.
Davidson Sch. Dist.	16,000	6	20 instls.	Wood, Gundy & Co.
Lacombe	4,200	4½	10 instls.	W. C. Brent.
Brownsville	14,496	4	19 instls.	W. C. Brent.
York Tp.	30,000	4½	30 instls.	Aemilius Jarvis & Co.
APRIL.				
Lloydminster	$ 6 500	5½%.	10 instls.	W. C. Brent.
Southampton	10,000	4&4½	20, 25, 30 instls.	Farmers' Bank.
Steelton	40,000	4½	30 years.	Duncan Bole.
Steelton	10,000	4½	20 years.	Duncan Bole.
Hawkesbury	14,165	4	27 instls.	W. C. Brent.
Owen Sound	10,000	4	20 years.	W. C. Brent.
Prince Albert	12,000	4½	10 instls.	W. C. Brent.
Forget, S.D.	5,000	6	20 instls.	W. C. Brent.
Co. of Simcoe	9,000	4½	20&25 instls.	Aemilius Jarvis & Co.
Woodstock	20,000	4½	1927.	Aemilius Jarvis & Co.
Fort William	26,000	4½	20 years.	Wood, Gundy & Co.
Stratford	25,000	4½	20 years.	Wood, Gundy & Co.
Macleod	22,000	5	40 years.	Wood, Gundy & Co.
Revelstoke	15.000	5	25 years.	Wood, Gundy & Co.
MAY.				
Municipality.	Amt.	Rate.	Due.	Purchaser.
Portage la Prairie, S.D.	$ 16,000	5%	20 instls.	Wood, Gundy & Co.
Sarnia	47,070	4½	10&20. instls.	Wood, Gundy & Co.
Regina Public, S.D.	90,000	4½	20 instls.	Wood, Gundy & Co.
Portage la Prairie	83,000	5	40 years.	Wood, Gundy & Co.
Galt, S.D., Man.	2,200	5	30 instls.	Aemilius Jarvis & Co.
Galt, S.D.	2,200	5	20 instls.	Canadian Life Ins. Co.
Sarnia	8,200	4½	10 instls.	Wood, Gundy & Co.
JUNE.				
Oshawa	$ 7,300	4½%	20 instls.	W. C. Brent.
Tp. Gastfield North	2,835	5	5 instls.	Huron & Erie Loan and Savings Co.
Hamilton	197,000	4	20&30 years.	Aemilius Jarvis & Co.
Tp. of York	25,500	4½	30 instls.	W. C. Brent.
St. Catharines	40,000	4½	15 years.	Aemilius Jarvis & Co.
Hespeler	12,000	3½	15 instls.	Gore District Mutual Fire Ins. Co.
Maple Creek	36,000	5	30 instls.	Private investor.
Deseronto	30,000	4½	15 5-6 instls.	Local investor.
Brandon	30.000	4½	20 years.	Sovereign Life Ins. Co.
Binscarth, S.D.	2,600	6	10 instls.	H. L. Blair.
St. Catharines	5,000	4½	15 years.	Wood, Gundy & Co.
Guelph	25,000	4½	20 years.	Wood, Gundy & Co.
Parry Sound	4,025	5	10 instls.	Wood, Gundy & Co.
Fort William	21,106	4½	20 years.	Wood, Gundy & Co.
Calgary Sch. Dist.	60,000	5	30 instls.	Wood, Gundy & Co.
Kincardine	25,000	5	30 years.	W. C. Brent.
Howard Tp.	6,373	5	3—7 instls.	W. C. Brent.
McLean S.D.	5,000	6½	20 instls.	W. C. Brent.
Killen S.D.	5,000	6½	20 instls.	W. C. Brent.
Broadview S.D.	3,000	6	20 instls.	W. C. Brent.
Berlin	20,200	4½	30 instls.	Aemilius Jarvis & Co.
JULY.				
Port Arthur	$ 200,000	5%	30 years.	Dominion Securities Corp.
Calgary	111,000	4½	30 years.	Wood, Gundy & Co.
Halifax	380,000	4	33 years.	McCurdy & MacIntosh.
Fredericton	30,000	4	40 years.	Private parties.
Delorimier, Prot., S.D.	20,000	5	40 years.	R. Wilson Smith & Co.
Prov. of Manitoba	500,000	4	40 years.	R. Wilson Smith & Co.
Brandon	50.000	4	40 years.	Royal Trust Co.
Fredericton	25,000	4	40 years.	Public.
Westneath Tp.	4,000	4½	20 instls.	W. C. Brent.
York Tp.	5,000	4½	30 instls.	W. C. Brent.
Grey Tp.	6,332	4	10—12 instls.	W. C. Brent.
Stratford	10,000	4½	20 instls.	W. C. Brent.
Fort William	38,000	5	20 years.	Wood, Gundy & Co.
Fort William	67,000	5	25 years.	Wood, Gundy & Co.
Fort William	25,000	5	30 years.	Wood, Gundy & Co.
Guelph	12,000	5	30 years.	Wood, Gundy & Co.
St. Catharines	7 000	4½	15 years.	Wood, Gundy & Co.
Calgary	110,000	5	20 years.	Wood, Gundy & Co.
AUGUST.				
Fredericton	$ 27,500	4%	End 40 yrs.	Local investors.
Port Arthur	95,000	5	30 years.	Dominion Securities Corp.
Simcoe	15.000	4½	30 instls.	Local investors.
New Glasgow	6,000	4½	30 years.	J. C. McIntosh.
New Glasgow	2,000	4½	30 years.	Geo. Horace.
New Glasgow	500	4½	30 years.	Geo. Horace.
Vancouver	200,000	4	12 years.	Aemilius Jarvis & Co.
Vancouver	59,500	4	12 years.	Dominion Securities Corp.
Heward S.D.	12,000	6	20 instls.	Wood, Gundy & Co.
Guelph	36,000	5	30 years.	Wood, Gundy & Co.
Sarnia	55,000	5	20 instls.	Wood, Gundy & Co.
Kincardine	2,500	4½	20 years.	W. C. Brent.
Nord S.D.	7,000	7½	30 years.	W. C. Brent.
N. Battleford S.D.	10,000	8	30 years.	W. C. Brent.
East Toronto	13.027	5	15, 20, 30 yrs.	W. C. Brent.
SEPTEMBER.				
Tp. Cornwall	28.000	4½	20 instls.	W. C. Brent.
Perth	29,703	5	30 instls.	Wood, Gundy & Co.
Perth	18,835	5	20 instls.	Wood, Gundy & Co.
Tp. West Luther	8,115	4½	20 instls.	Wood, Gundy & Co.
Niagara Falls	16,000	4	30 instls.	Wood, Gundy & Co.
Manor, Sask.	10,000	6	20 instls.	Canada Landed Nat. In- Investment Co., Limited.
Port Arthur	23,000	5	30 years.	Dominion Securities Corp.
Pembroke	9,000	4½	10 instls.	Local party.
Goderich	2,000	4½	20 instls.	London (Ont.) investors.
Goderich	25,000	4½	20 years.	Aemilius Jarvis & Co.
Niagara Falls	5,000	4	30 instls.	Wood, Gundy & Co.
Niagara Falls	5,000	4½	30 instls.	Wood Gundy & Co.
Niagara Falls	11,000	4	30 instls.	Wood Gundy & Co.
Sarnia	10,000	5	20 instls.	Wood, Gundy & Co.
Simcoe	36,652	4½	1927—37.	W. C. Brent.
Logan Tp.	6,887	4½	10 instls.	W. C. Brent.
Cornwall Tp.	28,147	4½	20 instls.	W. C. Brent.
St. Thomas	11,287	4½	10 instls.	W. C. Brent.
Goderich	11.355	4½	20 instls.	W. C. Brent.
Edmonton	679,873	5	10, 20, 30, 40 instls.	Imperial Bank of Canada.
Vancouver	106,000	4	10 instls.	Aemilius Jarvis & Co.
OCTOBER.				
Saskatoon	$ 258,000	5%	30 instls.	Edinburgh capitalists.
Tp. Roxborough	17,843	4½	15&20 instls.	W. C. Brent.
Woodstock	10,000	4½	15 instls.	Local party.
Berlin	38.757	5	15 instls.	Economical Ins. Co.
County of Peel	29,000	4	13 instls.	W. C. Brent.
Palmerston	15,000	5	20 instls.	W. C. Brent.
St. Thomas	7,000	4½	10 instls.	Wood, Gundy & Co.
Co. of Peterborough	4,000	4	20 instls.	Wood, Gundy & Co.
Outremont	30,000	5	30 years.	R. Wilson Smith & Co.
Edmonton, P.S.D.	100,000	5	30 instls.	Wood, Gundy & Co.
Port Arthur	128,500	5	30 years.	Dominion Securities Corp.
Goderich	10,500	4½	20 instls.	Wood, Gundy & Co.
Fort William	100,000	4½	40 years.	Wood Gundy & Co.
Elma Tp.	7,494	4&4½	10 instls.	W. C. Brent.
Ellice Tp.	22,908	4½&5	10 instls.	W. C. Brent.
Carlyle S.D.	3,500	6	20 instls.	W. C. Brent.
NOVEMBER.				
Grand Valley, Ont.	$ 3,773	5%	20 instls.	W. C. Brent.
Hamilton	120.000	4	30 instls.	Wood, Gundy & Co.
Hamilton	30.000	4	20 instls.	Wood, Gundy & Co.
Berlin	63,000	5	30 instls.	Wood, Gundy & Co.
Chatham	79,000	4½	15 instls.	Aemilius Jarvis & Co.
Prescott and Russel	15,000	5	15 instls.	Wood, Gundy & Co.
Waterloo	23,000	4½	30 instls.	Wood, Gundy & Co.
Brandon	49,000	5	30 years.	John Nuveen & Co.
Victoria	50,000	4	50 years.	Local capitalists.
Victoria	31,000	4	25 years.	Local capitalists.
Peterborough	16,000	4½	20, 30 yrs.	Wood, Gundy & Co.
Victoria	25,000	4	10 years.	Local capitalists.
Tp. Etobicoke	17,000	5	20 instls.	G. A. Stimson.
Hawksbury	17,000	4	16 instls.	W. C. Brent.
Lemberg School D.	10,000	6	20 instls.	W. C. Brent.
Kincardine	5,300	5½	20 years.	W. C. Brent.
Tp. Derby	2,182	5	10 years.	Miss Jennie Fleming.
Vancouver	1,350,625	4	20, 30, 40 years.	Dominion Securities.
Trenton	25 000	4	30 instls.	Gresham Ins. Co.
North Toronto	3,182	4½	30 instls.	Dominion Securities Corp.
Co. of Cape Breton	25,000	5	30 years.	J. C. Mackintosh & Co.
Mitchell	10,000	5	10 instls.	W. C. Brent.
Port Arthur	78,500	5	20, 30 yrs.	Dominion Securities Corp.
Didsbury, S.D.	10,000	6	30 instls.	W. C. Brent.
Lloydminster	12,900	6	20 instls.	Northern Bank.
Chatham	5,000	4½	15 instls.	Wood, Gundy & Co.
Fort William	53,000	5	20 years.	Wood, Gundy & Co.
DECEMBER.				
Calgary	100,000	4½	30 years.	Wood, Gundy & Co.
Guelph	24,000	5	20 Years.	Wood, Gundy & Co.
Chatham	35,000	4½	15 instls.	Wood, Gundy & Co.
Mount Forest	20,000	5½	20 30 instls.	Wood, Gundy & Co.
Oxford County	50,000	5	30 instls.	Wood, Gundy & Co.
Goderich	25,000	4½	20 instls.	Wood, Gundy & Co.
Deseronto	22,000	6	30 instls.	Wood, Gundy & Co.
Tp. Mountain	5,500	5	20 instls.	Sold locally.
Oxford County	50,000	5	30 instls.	Wood, Gundy & Co.
County of Bruce	20,000	5	30 instls.	Dominion Securities Corp.
London	94,925	5	10 instls.	Sold Locally.
Prince Albert	160,360	4½	Various.	Imperial Bank.
Battleford Prot. S.D.	5,000	6	10 instls.	W. C. Brent.
E. Toronto	6,615	5	10, 15, 20 yrs.	W. C. Brent.
Colchester N. Tp.	9,911	5	5, 7, 10 instls.	W. C. Brent.
Vermilion Centre S.D.	25.000	7½	30 instls.	W. C. Brent.

Canadian Stocks

Quotations of Securities listed on the Montreal and Toronto Stock Exchanges, with prices at closing on Friday of each week. In stocks listed on both Exchanges, prices quoted are those of the market in which a stock is the more active.

Active Stocks

Par Value	Outstanding Common Stock	Outstanding Preferred Stock	Bonds	Reserve Funds Profit and Loss	Last Dividend Date	Per cent.	STOCK	Range for year 1906 High	Low.	Range for year, 1907 High	Date	Low	Date	Closing one year ago, Jan. 3. Ask	Bid	Friday, Jan. 3. Ask	Bid	Range for week ending Jan. 2, in market of activity First	High	Low	Last	Sales
							BANKS															
50	10,000,000			5,000,000	1st Dec.	q. 2	Commerce	190½	169½	180	Jan.	153	Nov.	....	177	165	160	165	165	160	160	50
50	3,823,514			4,805,865	1st Jan.	q. 3	Dominion	283	262½	267	Jan.	215¾	Nov.	266	....	220		217	217	216½	216½	102
100	2,470,360			2,470,360	1st Dec.	q. 2½	Hamilton	233	210	217	Jan.	180	Nov.	214	210		186					
100	4,867,880			4,867,880	1st Nov.	q. 2¾	Imperial	254½	225	230	Jan.	195	Nov.	230	228½	216	214	°215	215	214¾	215	20
100	6,000,000			4,000,000	1st Dec.	q. 2	Merchants	176	160½	170	Jan.	150	Dec.	173	168		153	°152¼	153½	152¼	153½	20
100	1,000,000			1,000,000	1st Jan.	q. 2	Metropolitan	202⅛	192	192½	Mar.	192	Mar.	....	192							
100	3,371,980			3,371,980	1st Jan.	q. 2½	Molsons	230	204½	215½	Jan.	183	Nov.	....	205	195	190	187	187	186	187	12
100	14,400,000			11,000,000	1st Dec.	q. 2½	Montreal	261	252¼	257	Jan.	225	Oct.	256½	256		232	227	°230	227	230	27
100	3,000,000			5,250,000	1st Jan.	q. 3	Nova Scotia	297½	273	293	Jan.	274	Sept.	300	280							
100	3,000,000			3,000,000	1st Dec.	q. 2½	Ottawa	233	222	226¾	Feb.	212	Sept.	225	221							
100	2,500,000			1,250,000	1st Dec.	q. 1¾	Quebec	145	139½	145	Mar.	119	Dec.	140	....			120	120	119	119	58
100	3,900,000			4,390,000	1st Jan.	q. 2½	Royal	247½	222	242	Jan.	218	Dec.	250	....			218¼	218¼	218¼	218¼	11
100	3,000,000				16th Nov.	q. 1½	Sovereign	155¼	133	118	July	95	June	....	....		99	100	101	100	100	33
50	1,559,675			1,659,675	1st Dec.	q. 3	Standard	250¼	223	230¼	Feb.	210	Dec.	230	225							
100	4,000,000			4,500,000	1st Dec.	q. 2½	Toronto	251	222	235¼	Jan.	200	Nov.	....	225	212		205⅛	205⅛	205⅛	205⅛	40
100	4,351,960			1,900,000	1st Jan.	q. 1¾	Traders	155	138½	140	Jan.	123	Nov.	....	139		125¼					
100	3,136,100			1,700,000	1st Dec.	q. 1¾	Union	158	143¼	152	Jan.	125	Oct.	*153	....	125						
							TRANSPORTATION															
100	121,680,000	42,720,000	101,519,411		1st Oct.	s. 3½	Canadian Pacific Railway	201	155¾	195⅛	Jan.	140	Nov.	193½	193	159	158	151	155	15 1	154	317
100	12,500,000		21,162,000	1,546,272	Passed		Detroit United	102	79¼	84½	Jan.	28½	Oct.	....	....	36¾	36	34	35½	34	35	301
100	12,000,000	10,000,000	20,000,000				Duluth	21	16¾	14	May	6¾	Oct.	....	....							
100	1,350,000		600,000	252,053	1st Jan.	q. 1½	Halifax Electric	108	100	104½	Jan.	87¼	Nov.	....	100			96	97	96	97	35
100	7,500,000		8,311,561				Havana Electric	50	35	45½	Feb.	21	Nov.	48	44¾							
100		5,000,000			15th Oct.	q. 1	Havana Electric, preferred	97⅞	79	86	Jan.	68	Oct.	86	*85							
100	6,395,500	3,274,300	20,030,500		1st Jan.	q. 1½	Illinois Traction, preferred	101½	88½	94¼	Feb.	70½	Nov.	92	*89½	80	79	77	79½	77	79½	140
100	6,000,000		7,500,000				Mexico Tramway Co.			61	July	57	Jan.	....								
100	14,000,000	7,000,000	51,865,000		15th Oct	s. 2	Minn., St. P. and Sault Ste. Marie			136¾	Jan.	65	Oct.	139½	139⅜	82	81½	81	81	80⅞	80⅞	184
100	9,000,000		2,473,333	524,770	1st Nov.	q. 2½	Montreal Street	284	211	239	Jan.	157	Oct.	230	228	190	187	180	184	180	°184	138
100	840,000			87,100	19th Jan.	a. 6+1½	Northern Navigation	110¼	80½	104	Jan.	79¾	Nov.	....	101	98	91					
100	7,938,900		10,385,000		15th Dec.	q. ½	Northern Ohio Traction	33¼	27	30⅝	Jan.	20	Oct.	28	27							
100	3,132,000		323,146	362,500	1st Dec.	q. 1¼	Richelieu and Ontario	88¼	69¾	82⅞	Jan.	48½	Nov.	83½	82½	67	64	°60	64	°60	°64	72
100	21,993,900		23,284,000				Rio de Janeiro	48	38½	48¼	Jan.	26¾	Oct.	47	46	36	35¼	°33¼	33⅞	33	33⅞	1,103
100	563,300			115,996	1st Jan.	a. 10	St. Lawrence & Chi. Steam Nav. Co.	148	120	127½	Sept.	°116	*Dec.	130	....			°116¾	°116¾	116	116	20
100	8,026,637		6,000,000	1,785,718	1st Jan.	q. 2¼	Sao Paulo	146	125	138½	Jan.	94	Oct.	136	135	113		°113	°113	109½	110½	352
100	12,000,000		10,866,000		Passed		Toledo Railway	36¼	25	29⅛	Jan.	9	Oct.	28½	27¾		8½	9⅝	9⅝	9⅝	9⅝	25
100	8,000,000		3,613,373	2,130,708	1st Jan.	q. 1½	Toronto Railway	126	112	115¼	Jan.	82¾	Nov.	114	112⅛	98	97	94	97¼	94	97¼	275
100	9,000,000	2,600,000	6,993,000		1st Jan.	q. 1¼	Tri-City, preferred	95	88½	90½	Jan.	80	Aug.	....	....							
100	1,164,000		720,000	124,781	10th Oct.	q. 1¼	Trinidad Electric	92	80	78½	April	70	April	....	....			72	72	72	72	5
100	20,100,000	3,000,000	16,546,000	1,281,348	15th Nov.	q. 1¼	Twin City	122¼	102½	108½	Jan.	69¼	Nov.	....	103¼	85½	85	°83½	85	83¼	85	625
100	4,500,000		5,000,000	908,688	1st Jan.	q. 2	Winnipeg Electric	190	160	186	Feb.	119½	Nov.	....	....	125	124¾	°128	°128	125	125	97
							TELEGRAPH, LIGHT AND POWER															
100	11,875,000		3,363,000	3,849,846	15th Oct.	q. 2	Bell Telephone	158¾	145	145	Jan.	115	Nov.	....	*	130	124	118	120	118	120	66
50	2,794,700			2,231,991	1st Nov	q. 2½	Consumers Gas	209	200	206	Jan.	182	Dec.	....	203		*182	185	185	185	185	27
100	41,380,400				1st Jan.	q. 1	Mackay, common	77⅛	57⅞	75⅛	Jan.	41	Oct.	70½	70	55¾	55⅝	51½	54	51½	54	784
100		50,000,000		727,547	1st Jan.	q. 1	Mackay, preferred	76⅛	68	71½	Jan.	49½	Oct.	68½	67¾		64½	61½	62	60¼	62	263
100	13,585,000		12,000,000	1,050,428			Mexican Light and Power Co. com.	70	47½	57½	Feb.	35	Nov.	....	55	49	48½	48⅛	48½	47½	47½	667
100	17,000,000		8,464,000	1,201,158	15th Nov.	q. 1½	Montreal Power	99½	86	96½	July	79	Oct.	91½	91¼	*86¾	86½	86¼	87	86	86¼	650
100	3,300,000		1,000,000	518,057	1st Jan.	q. 2	Toronto Electric Light	171	152	160	Jan.	110	Oct.	165	160							3
							INDUSTRIALS AND MISCELLANEOUS															
100	4,700,000	300,000		1,969,354	1st Jan.	q. 2½	Canadian General Electric	155	130	136½	Jan.	77¾	Nov.	138	....	99	95	°118	°125	°118	°118	20
100	20,000,000	5,000,000	9,642,000				Dominion Steel, common	34¼	20½	25	Jan.	12½	Oct.	24½	24	15	14¾	15⅜	15⅜	15⅜	15⅜	25
100	5,000,000						Dominion Steel, preferred	83½	60	66½	Jan.	36	Nov.	66	65	46	44	41	45	41	°45	245
100	15,000,000		5,612,164	1,825,940	1st Jan.	q. 1	Dominion Coal	84½	58	70¼	Mar.	37	Nov.	66	64½		39	39⅛	39⅛	39⅛	39⅛	67
100		3,000,000			1st Aug.	s. 3½	Dominion Coal, preferred	122	112	112	Feb.	85	Nov.					°90	°90	°90	90	9
100	5,000,000	1,854,397	7,337,160	1,394,000	1st Jan.	q. 1¼	Dominion Textile, common			47	Oct.	42	Aug.	....	....	44		44	44	44	44	8
100	5,000,000	1,854,397	7,337,160	1,394,000	15th Oct.	q. 1¾	Dominion Textile, preferred	109¾	95¼	*99	Jan.	75	Nov.	100	*97½	78½	78	80	°80	78¼	78½	48
100	2,000,000		1,000,000	528,003	7th Oct.	s. 3	Lake of Woods Milling	100	89	90	Feb.	65	Aug.	94	....	74	73¼	70½	71	70½	71	143
100		1,500,000			2nd Dec.	q. 1¾	Lake of Woods Milling, preferred	115	108	112	Feb.	99¼	Nov.	....	108	94	89	102½	103	102½	103	53
100	700,000			227,417	8th July	int. 2½	Montreal Steel	114	97	98½	Feb.	75	Dec.	103	*98							
100		800,000			8th Oct.	q. 1¾	Montreal Steel, preferred	115	106	106	May	92	Nov.	....	*							
5	6,000,000			15,577	20th Oct.	q. 3	a Nipissing Mines Co.			15	Jan.	5½	Nov.	....	53	7¼	*6¾	6½	6½	6¼	6¼	90
100	4,987,600		3,752,000	2,617,051	15th Oct.	q. 1½	Nova Scotia Steel, common	74½	60	79	Feb.	45	Oct.	71½	70¾	56½	56	54¾	55	54½	°55	90
100		1,030,000			15th Oct,	q. 2	Nova Scotia Steel, preferred	125	118	*120	Jan	106	Nov.	....	*							
100	1,250,000		1,000,000	1,209,370	Sept.	a. 7	Ogilvie Flour										250					
100		2,000,000			1st Dec.	q. 1¾	Ogilvie Flour, preferred	130	123	121	Feb.	110	Oct.	....	....	118	113	114	114	114	114	10

*Ex-div. †Ex-allotment 2—Quotations $5 per share. °Less than ten shares.

Inactive Stocks

Par Value	Common Stock Outstanding	Bonds, Preferred Stock or Deben'res Outstanding	Reserve and Contingent.	Last Dividend Date	Per cent.	STOCK	Range for year 1907 High	Low	Latest price Ask	Bid	Last Sale
						BANKS					
243	4,866,666		2,238,666	4th Jan.	3	British North America	155	148¼			152¾
100	3,000,000		2,000,000	1st Jan.	q. 2	Eastern Townships	162½	150			°152
100	2,500,000		2,000,000	1st Dec.	q. 2	Hochelaga	159¼	134			136
30	1,799,910		750,000	1st Dec.	q. 1¾	Nationale	120	120			120
100	709,380		1,195,428	1st Jan.	q. 3	New Brunswick	272	270			272
						LOAN AND TRUST					
50	630,200	1,032,603	283,000	2nd Jan.	s. 3	Agricultural Loan	122	122			122
100	1,004,000	3,138,798	515,000	2nd Jan.	s. 3½	Canada Landed	125	113½		113	113½
10	6,000,000	13,857,807	2,450,000	1st Jan.	s. 3	Canada Permanent	126½	111½	112½	112	112
100	1,500,000	4,673,890	1,050,000	1st Jan.	q. 2	Central Canada	165	150		160	160
10	2,398,701	p 2,456,900 d 147,413	119,808	1st Jan.	s. 3	Col. Investment, preferred	80	55		60	60
50	934,617	394,045	107,590	31st Dec.	s. 2	Dominion Savings	71½	70		70	70
100	1,100,000	1,671,417	504,080	2nd Jan.	s. 3	Hamilton Provident	124	120	120		
50	1,900,000	5,271,479	1,600,000	2nd Jan.	s. 4½	Huron and Erie	186	174½	176		174
100	735,481	547,746	78,720	2nd Jan.	s. 2½	Imperial Loan	70	70			70
100	700,000	1,005,434	310,000	2nd Jan.	s. 3	Landed Banking	124	122		121	124
50	1,000,000	2,243,355	264,310	2nd Jan.	s. 3	London and Canadian Loan	108½	100	100		100
50	686,891	518,919	134,000	1st Jan,	s. 3	London Loan and Savings					119
25	500,000		438,096	15th Sept.	s. 3½ plus ½	Montreal Loan	136	130¼			131
100	1,000,000		450,000	2nd Jan.	q. 1¾	National Trust	160	157	150		158
50	1,200,000	1,594,326	685,000	2nd Jan.	s. 3¼	Ontario Loan and Debenture	135	130			130½
40	373,720	119,260	82,500	2nd Jan.	s. 2½ plus ½	Real Estate Loan	87	85			85
100	1,000,000		375,000	2nd Jan.	s. 3¾	Toronto General Trusts	150	140			145
50	724,550	1,274,108	305,000	2nd Jan.	s. 3	Toronto Mortgage Co	111	105		102	109
100	1,000,000	1,105,536	580,000	1st Jan.	q. 1½	Toronto Savings					126
						OTHER COMPANIES					
25	850,000	550,000		passed		British America Assurance					
100	1,511,400	1,270,000		3½ for 6 mos. Nov. 20, '05		British Columbia Packers, pfd	75	75			97 °75
100	2,700,000	b 2,000,000		15 Dec.	q 1	Canadian Col. Cotton	55	50			
400	1,000,000		44,865	1st Jan.	q. 4	Canada Life Assurance	155	155			50
100	3,000,000			Nov	q 1	Canadian Converters, Limited	62	57			155
100	500,000		46,333	1st Jan.	q. 2	Canadian Salt					59¾
12½	733,841			a		Canada North-West Land					108
100	565,000		30,000			City Dairy	38	35	30		435
100	346,350			2nd Jan.	1¾	City Dairy, preferred	90	80		80	33
100	100,000			1st Jan.	q. 3¾	Confederation Life Association					°85
100	4,000,000		1,800,000	2nd Jan.	q. 2½	Crows Nest Pass Coal Co	310	°260			285
50	1,000,000			15th Oct.	q. 1½	Dominion Telegraph	120¼	100	115		275
100	1,700,000	2,895,700		15th July	s. 2¾	Hamilton Electric Power, pfd					110
100	450,000			1st Jan.	q. 1½	Imperial Life Assurance	150	150			
100	500,000	b 344,000	90,474	Sep.	s. 3½	Intercolonial Coal	60	60			150
100		219,700		Sep.	s. 3	Intercolonial Coal, preferred					60
100	1,600,000	b 1,200,000		5th Nov.	s. 3	Laurentide Paper	93½	80			100¼
100		1,200,000		1st Jan.	q. 1¾	Laurentide Paper, preferred	110	98			93
100	404,610	b 102,083	75,000	1st Sep.	s. 3	London Electric					102½
40	531,792	b 500,000		30th June	s. 3¾	London Street					89¾
100	3,000,000	b 350,000		15th Dec.	q. 1¾	Montreal Cotton	128	103¾	115		97¼
40	2,000,000		98,098	15th Oct.	q. 2	Montreal Telegraph	163	130			105
100	701,700	b 111,000	123,953	2nd July	s. 4	Niagara Navigation	126¼	105			137
100	925,000	b 819,000		18th Oct.	q. 1	Niagara, St. Cath. and Toronto				104	°108
100	998,200	500,000	230,564	2nd Jan.	q. 2½	Ottawa Electric Railway				75	80
100	6,500,000	b 4,500,000	100,000	18th Oct.	q. 1	Shawinigan Water and Power Co.	58	45		54½	54¼
20	1,500,000	1,000,000		passed		Western Assurance					96

NOTE.—s means semi-annually; q.—quarterly; plus indicates bonus; b. means bonds. p.—Preferred stock. d.—Debentures. o.—Less than ten shares. a.—$12.50 per share return of capital payable March 15, 1907.

BANK OF ENGLAND.

The rate of discount of the Bank of England was reduced from 7 to 6 per cent. A year ago it was 6 per cent. Two years ago it was 4 per cent. The statement of the bank shows the proportion of reserves to liabilities of 35.62 per cent., compared with 39.99 per cent. last week and 33.50 per cent. this week last year. The loss of 4.37 per cent. this week compares with a loss of 3.63 last week and a loss of 3.94 per cent. a year ago. The statement shows:

		Increase.
Reserve	£21,473,000	£1,792,000
Circulation	29,520,000	6,000
Bullion	32,543,606	1,797,819
Other securities	40,807,000	7,773,000
Public deposits	7,557,000	1,900,000
Other deposits	53,137,000	9,151,000
Notes reserve	20,532,000	1,843,000
Gov't securities	15,832,000	1,500,000

FINANCIAL CALENDAR.

Week Ending Jan. 16.

Annual Meetings.

Jan. 8.—Bank of Toronto.
Jan. 10.—Bell Telephone Co. (special).
Jan. 10.—Banque de St. Jean.

The annual meeting of the Central Canada Loan and Savings Co. will be held on Jan. 15th.

THE BOND MARKET

Week Ending January 3, 1908.

BONDS	Rate	1907 High	Low	Closing Asked	Bid	Sales Week Jan. 2 $
Bell Telephone Co.	5					
Can. Colored Cotton Mills Co.	6					
Commercial Cable Co.	4					
Dominion Coal Co.	5	92				2,000
Dominion Cotton Mills Co.	6	96	90			2,000
Dominion Iron & Steel Co.	5	71¼	71			7,000
Dominion Textile Co., Series A.	6	90	80			500
Do. Do. Series B.	6	90	80			
Do. Do. Series C.	6	90	80			
Do. Do. Series D.	6	90				
Electrical Development Co.	5					
Halifax Electric Tramway Co.	5					
Havana Electric Railway Co.	5	90				
Intercolonial Coal Co.	5					
Keewatin Flour Mills	6					5,000
Lake of the Woods Milling Co.	6					
Laurentide Paper Co.	6	110	104			
Magdalen Islands	6					
Mexican Electric Light Co.	5	74¼	73¾			12,000
Mexican Light & Power Co.	5	82½	81⅛			8,000
Montreal Light, Heat & Power Co.	4½					1,000
Montreal Street Railway Co.	4½		97½			2,800
Nova Scotia Steel & Coal Co. 1st Mtg.	6					
Do. Do. Do. Cons. Mtg.	6					
Ogilvie Flour Mills Co.	6					1,000
Price Bros. Co.	6					
Rio de Janeiro Tramway, L. & P. Co.	5		72			22,000
St. John Railway	5					
Sao Paulo Tramway L. & P. Co.	5		90¾			9,000
Winnipeg Elec. Street R'y. Co.	5	99	97½			2,000
Montreal City, Stock	7					
Montreal City, Stock	4					

CURB QUOTATIONS.

Week Ending January 3, 1908.

NAME	Stock Issued.	Par.	Acreage.	Week ending Jan. 2 High	Low	Sales	Closing bid Jan. 3
Abitibi & Cobalt Mining Co.		1.00					
Beaver Consolidated Mines	1,000,000	1.00	20				
Buffalo Mines Co.	900,000	1.00	40				
Cobalt Lake Mining Co.	3,930,866	1.00		.11½	.11	1,400	
Cobalt Silver Queen	1,500,000	1.00	58				.60
Cleveland Cobalt Silver Mines	1,000,000	1.00	114				
Coniagas	4,000,000	5.00	40				3.90
Foster Cobalt Mining Co.	1,000,000	1.00	40	.59	.58½	200	.60
Green-Meehan Mining Co.	1,500,000	1.00	40				
Kerr Lake Mining Co.	3,000,000	5.00	52				
McKinley-Darragh-Savage Mines	2,000,000	1.00	20				
Nova Scotia Silver Cobalt M. Co.	1,800,000	1.00		.24	.20	5,000	.25¼
Peterson Lake	2,500,000	1.00	225				
Red Rock Silver Mining Co.	1,000,000	1.00	30				.10
Rothschild Cobalt Co.	500,000	1.00	40				
Silver Leaf Mining Co.	5,000,000	1.00	40	.08½	.08	1,550	.08¼
Temiscaming Mining Co.	2,500,000	1.00	210				
Trethewey	1,000,000	1.00	40	.50	.47	2,375	.48
University Mines	1,000,000	10.00	56				

UNLISTED SECURITIES.

NAME	Stock Issued	Bonds and Pref. Stocks	Last Sale	Closing Asked	Bid
Brit. Col. Packers' Ass'n. Com.	1,511,400	$1,270,000			
Consolidated Mining & Smelting	4,698,886				
Consolidated Rubber Bonds	2,141,300	822,200			
Consolidated Rubber Stock, Pref.		2,600,000b	.77	.80	.78
Canada Cycle & Motor Co.	800,000				
Dominion Iron & Steel, 2nd Mtg.	20,000,000	2,178,000			
Dominion Park Bonds	400,000	250,000		.81 & int.	.75 & int.
Illinois Traction Com.	5,810,000	3,214,300		.82	
Lachine Sinking Fund, 5 p.c. bonds		4,000,000			
Quebec Railway, L. & P. Co.	2,500,000	2,500,000b			
Rogers, Wm. A., Com.	750,000	900,999		.30	.23
Rogers, Wm. A., Pref.	900,000				
Standard Loan Co.	1,125,000	d 600,000			
Sun & Hastings Savings & Loan Co.	937,000	d 52,000			
Tri-City Railway & Light Co., Com.	9,000,000	2,600,000			
Union Bank of Halifax	1,500,0				
Western Bank of Canada	555,0				

d Debentur b Bonds

NO BREAD FAMINE.

Contraction of trade, liquidation in stocks, reduction in dividends and wages are not pleasant things to contemplate at this season of the year, and there is no part of the country where the effects of the panic are more keenly felt than in Wall Street, says the Wall Street Journal.

There is, however, much to rejoice in amid such conditions. Let us re- the fact that while there is a famine of credit and a famine of currency, there is nevertheless no famine of bread. The agricultural conditions are superb, and these lie at the very base of national wealth. If prices have declined, the fundamentals of values remain untouched. If we have less money to spend this Christmas, let us rejoice in our economies, because these economies are necessary for another advance in continental prosperity. If many have been impoverished by the panic, let us rejoice in the opportunity to give aid and comfort, as a substitute for the exchange of useless and extravagant presents.

If there is less business, let us rejoice that there is more time for reflection and wise planning for the future.

The Hudson's Bay Company's quarterly farm land sales totalled 2,300 acres for £6,000, against 12,400 acres for £130,000, in the corresponding quarter of 1906.